

PeopleSoft®

EnterpriseOne
Human Resources Benefits for the
United States 8.9 PeopleBook

September 2003

EnterpriseOne
Human Resources Benefits for the United States 8.9 PeopleBook
SKU REL9EUB0309

Copyright© 2003 PeopleSoft, Inc. All rights reserved.

All material contained in this documentation is proprietary and confidential to PeopleSoft, Inc. ("PeopleSoft"), protected by copyright laws and subject to the nondisclosure provisions of the applicable PeopleSoft agreement. No part of this documentation may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, including, but not limited to, electronic, graphic, mechanical, photocopying, recording, or otherwise without the prior written permission of PeopleSoft.

This documentation is subject to change without notice, and PeopleSoft does not warrant that the material contained in this documentation is free of errors. Any errors found in this document should be reported to PeopleSoft in writing.

The copyrighted software that accompanies this document is licensed for use only in strict accordance with the applicable license agreement which should be read carefully as it governs the terms of use of the software and this document, including the disclosure thereof.

PeopleSoft, PeopleTools, PS/nVision, PeopleCode, PeopleBooks, PeopleTalk, and Vantive are registered trademarks, and Pure Internet Architecture, Intelligent Context Manager, and The Real-Time Enterprise are trademarks of PeopleSoft, Inc. All other company and product names may be trademarks of their respective owners. The information contained herein is subject to change without notice.

Open Source Disclosure

This product includes software developed by the Apache Software Foundation (<http://www.apache.org/>). Copyright (c) 1999-2000 The Apache Software Foundation. All rights reserved. THIS SOFTWARE IS PROVIDED "AS IS" AND ANY EXPRESSED OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE DISCLAIMED. IN NO EVENT SHALL THE APACHE SOFTWARE FOUNDATION OR ITS CONTRIBUTORS BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; LOSS OF USE, DATA, OR PROFITS; OR BUSINESS INTERRUPTION) HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, STRICT LIABILITY, OR TORT (INCLUDING NEGLIGENCE OR OTHERWISE) ARISING IN ANY WAY OUT OF THE USE OF THIS SOFTWARE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

PeopleSoft takes no responsibility for its use or distribution of any open source or shareware software or documentation and disclaims any and all liability or damages resulting from use of said software or documentation.

Table of Contents

Overviews for Human Resources - Benefits	1
Industry Overview for Benefits	1
Industry Environment and Concepts for Benefits	1
The Competitive Advantage	4
Benefits Administration Overview.....	7
System Integration for Benefits	7
Benefits Features.....	8
Benefits Terms and Concepts	8
Benefits Administration	10
Enrolling Employees.....	11
Enrolling Employees Using Eligibility.....	12
Enrolling Employees Using Overrides	19
Enrolling Employees Using Batch Enrollment).....	23
Printing a Confirmation Statement.....	32
Working with Dependents and Beneficiaries	36
Creating Dependent and Beneficiary Records	37
Enrolling Dependents and Beneficiaries in Benefit Plans	44
Entering Supplemental Data for Dependents and Beneficiaries	46
Working with Fund Allocations	47
Working with Enrollment Information.....	48
Working with Enrollment with Eligibility	49
Working with Enrollment Overrides	53
Reviewing Employee Enrollment.....	56
Reviewing Benefits by Employee	56
Reviewing Employees by Benefit Plan	57
Reviewing the Employee List by Benefit Group Report (R083492)	57
Reviewing the Benefit Enrollment by Plan Report (R083493)	57
Reviewing the Benefit Enrollment Outside Group Report (R083470).....	57
Reviewing the Mandatory Participation Exception Report (R083450)	58
Reviewing the Required Elections in Benefits Report (R083480).....	59
Printing a Benefit Enrollment Form (R083430)	59
Reviewing the Dep/Ben by Plan ID and Employee Report (R083490)	63
Reviewing the Dep/Ben Exception Report (R083460)	64
Reviewing the Dep/Ben Missing Tax ID, Gender, or DOB Report (R083491).....	64
Reviewing Dependent Status Reports (R083496)	64
Reviewing the Dependent/Beneficiary Supplemental Data Report (R080415).....	65
Reviewing the Dep/Ben Data by Data Type Report (R080405).....	66
Working with Employee Benefit Statements	66
Setting Up a Benefit Statement	66
Setting Up Benefit Statement Headings	68
Linking Headings to a Benefit Statement	72
Printing Benefit Statements	73
Flexible Benefits Overview	75
Enrolling in Flex Benefit Plans.....	75

Benefits Administration Setup	78
Understanding User Defined Codes for Workforce Management Systems	80
Setting Up User Defined Codes for Benefits	81
Setting Up Common Settings for Workforce Management	82
Common Settings for Benefits Enrollment	83
Setting Up Group Information.....	85
Setting Up Benefit Groups.....	85
Setting Up Benefit Categories	87
Linking Categories to Benefit Groups.....	90
Setting Up Benefit Plans	92
Adding a New Benefit Plan.....	93
Copying an Existing Benefit Plan	101
Setting Up Plan Options	102
Linking Plans to Benefit Categories	106
Setting Up Date Codes.....	108
Setting Up Date Codes for a Specific Date Following a Particular Date of the Month.....	108
Setting Up Date Codes for the Last Day of the Month Following a Particular Date	109
Setting Up Date Codes by an Amount of Time after a Specific Date.....	111
Setting Up Date Codes by a Specific Enrollment Date	112
Setting Up Pay Type Tables.....	113
Setting Up Eligibility Tables.....	114
Setting Up Enrollment Parameters.....	117
Example: Search Hierarchy for Enrollment Parameters.....	118
Linking Allocation Funds to Plans	120
Verifying the Setup of Benefits Administration	124
Reviewing the Benefit Structure	124
Reviewing the Plans/Options By Group and Category Report (R083494).....	126
 Flexible Benefits Setup	 127
Setting Up DBA Information for Flexible Benefits.....	127
Setting Up a Lump Sum Credit.....	128
Setting Up an Employee Flex Deduction.....	131
Setting Up a Benefit Group for Flex	135
Setting Up Flex Benefit Plans.....	136
 COBRA	 140
What Is a Qualifying Event?	140
Who Are Qualified COBRA Beneficiaries?.....	141
How Do You Comply with COBRA Coverage?	141
COBRA Administration.....	142

Entering a Qualifying Event or a Subsequent Qualifying Event	143
Reviewing and Updating Subsequent Qualifying Event Information	146
Working with COBRA Coverage Election for Participants	148
Entering COBRA Payments	152
Reviewing the COBRA Print Election	155
Tracking COBRA Notification History	156
Reviewing the Dependent Coming of Age Report (R089205)	157
Reviewing the Election Coverage by Type Report (R089201)	160
Reviewing the Election Coverage by Beneficiary Report (R089203)	160
Reviewing the Elected Plan Premium Report (R089202)	161
Reviewing COBRA Payments	162
Reviewing the Received Payment Report (R089941)	162
Reviewing the General Constants Report (R089909)	163
Reviewing the Qualifying Events Constants Report (R089919)	164

COBRA Setup 165

Activating Automated COBRA Administration	166
Using COBRA Workflow	166
Setting Up COBRA General Constants	167
Setting Up COBRA Qualifying Event Constants	170
Setting Up COBRA Qualifying Event Rules	172
Setting Up COBRA Plan Premium Amounts	174
Calculating COBRA Plan Premium Amounts for Benefit Plans without Options	174
Calculating COBRA Plan Premium Amounts for Benefit Plans with Options	175

Nondiscrimination Testing 177

Setting Up Nondiscrimination Testing	179
Working With User Defined Codes for Nondiscrimination Testing	179
Creating a Plan Control Group	179
Defining and Identifying Key Employees	181
Maintaining Employee Information for Nondiscrimination Testing	181
Verifying Employee Payroll History for Nondiscrimination Testing	181
Reviewing the NDT – Determine Eligibility by Hours Report	181
Defining a Test	182
Entering Key Test Criteria	183
Reviewing Historical Test Data	186
Reviewing the NDT – Determine Key Employees Report (R08365)	186
Processing Nondiscrimination Tests	186
Reviewing Test Results	190
Reviewing the 401(k) Discrimination Results Report (R083675)	191
Running the NDT - 415 Nondiscrimination Testing Report (R083676)	192

Overviews for Human Resources - Benefits

In today's competitive marketplace, companies need to provide a superior benefits package for their employees. The Benefits Administration feature of the J.D. Edwards Human Resource system provides an effective way to manage the functions in your benefits program.

This section provides overview information about the industry environment and how the Benefits Administration feature operates.

Industry Overview for Benefits

To understand how benefits management affects your organization and why you need to perform tasks in a certain way, you need to be aware of the critical role that benefits administration plays in the business environment.

This chapter introduces the industry concepts associated with benefits. In addition, it describes how J.D. Edwards software solves typical problems that are inherent in the benefits administration processes.

Industry Environment and Concepts for Benefits

Because the demands of the workforce are increasing, and companies want to meet those demands to retain qualified employees, companies must offer a competitive benefits package and a wide variety of options that will satisfy a diverse group of employees and candidates.

Historically, benefits have been very limited. In 1943, benefits averaged less than 5 percent of pay. Most companies provided only specific options that were standard across the workplace. An employer was not responsible for the nonwork needs of employees. Benefits were not considered by federal authorities to be part of an employee's total compensation.

However, in the last 25 years, the workforce has changed dramatically and now requires more extensive benefits packages from employers. In addition to the new benefits expectations of the workforce, legislative acts have forced benefits to evolve rapidly. Benefits have expanded to include managed healthcare and to comply with legislative acts, such as Employee Retirement Income Security Act (ERISA), Consolidated Omnibus Reconciliation Act (COBRA), and other legislative acts. Today, benefits average 35 to 40 percent of an employee's pay.

The emergence of managed healthcare in the United States has changed the health insurance industry. Healthcare and prescription costs are increasing. Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), Exclusive Provider Organizations (EPOs), and a variety of other health care systems have been established. These systems govern the costs that physicians may charge, the services for which an insurance company will pay, and the facilities that a patient may use. Although such systems enable a larger group of citizens to receive healthcare treatment at low cost, they also restrict both patients and physicians. These restrictions have prompted Congress to consider additional legislation to remedy the unforeseen problems. Legislative acts in the form of healthcare reform and a patient's bill of rights have been considered. The results of these efforts might not be realized for many years.

In 1974, a federal statute, ERISA, was passed to govern the administration of retirement plans in the United States. While some might think that this statute governs only retirement plans, ERISA actually sets standards for both retirement and welfare plans (such as health, life, and disability insurance benefit plans). ERISA set forth participant rights and administrator requirements that prevent the misuse of retirement funds, enable participants to view financial information about their plan, and establish procedures for appealing denied claims. ERISA also requires employers or plan administrators to comply with specific reporting requirements. This act requires benefits professionals to find ways of obtaining and tracking plan data in order to prove that they comply with the reporting and fiduciary requirements of ERISA.

Companies are also searching for new health insurance alternatives to offer their employees. Organizations are turning to new healthcare systems that, while still considered managed care, offer greater flexibility, increased customer service, and decreased administrative complexity for those seeking care. Companies commonly offer three to five health insurance plans, each with different costs and levels of flexibility, so that employees can choose the option that is most applicable to their financial and healthcare needs.

Additionally, to encourage employees to believe that they are participating in the success of the company, companies sometimes offer employee stock purchase plans (ESPPs), which allow employees to purchase company stock at a discounted price, or employee stock ownership plans (ESOPs). Benefits administrators must seek out, research, and implement these options as part of a company's benefits offering.

Social Security, unemployment insurance, workers' compensation insurance, and COBRA are also the responsibility of benefits administration, in addition to the most commonly-known benefits, such as welfare plans and retirement plans. These benefits are government-mandated and, within certain parameters, must be provided to employees. The Federal Insurance Contribution Act (FICA) is the basis for Social Security coverage in the United States. Both employers and employees contribute to FICA in order to provide retirement, survivor, disability, and health benefits to employees and their dependents, either in the event of disability or upon reaching retirement age. Unemployment insurance is a company-paid benefit that is meant to serve employees who separate from employment and are unable to immediately find other work. Unemployment benefits can be paid to those former employees for an interim period until they find a new job. Workers' compensation insurance ensures that employees who are injured during the course of performing their normal job duties can obtain medical and income assistance if they are unable to work as a result of their injury. COBRA enables former employees to maintain benefit coverage for an interim period after a qualifying event, such as separating from employment with a company.

A company can also offer supplemental benefits. These benefit options are not government-mandated, and they might not be standard benefit options offered by companies. Supplemental benefits include tuition assistance, health club reimbursement, flexible spending accounts, voluntary term life insurance, supplemental long-term disability insurance, on-site day care, employee assistance plans (EAPs), elder-care assistance, and many other types of assistance. This area of benefits is growing rapidly. Commonly, these supplemental benefits are becoming standard expectations of the workforce. Benefit managers will have to find new, creative benefits to offer employees to distinguish themselves from competitors and to meet the changing needs of the workforce. Implementing benefit plans that do not really meet the needs of the workforce is inefficient and costly. An organization can expect to maintain an effective benefit offering that employees view as valuable only through effective communication with employees, frequent surveys, satisfaction analyses, and comprehensive package design.

Benefits Administration

After a company has determined what standard, government-mandated, and supplemental benefits that it will incorporate into its benefit package, benefit professionals must administer the plans. This task can be time-consuming and require a lot of paperwork. It generally requires close interaction with health insurance companies, state unemployment insurance offices, and pension plan administrators. Therefore, many companies hire a third-party administrator (TPA) to assist them in administering the plans, maintaining plan compliance, and submitting regulatory reports to the appropriate administrators.

In addition to maintaining the benefit plans, benefit administrators must enroll employees in these plans. Many factors affect how employee enrollment will be administered, such as eligibility requirements and enrollment periods. Most benefit plans have eligibility criteria, such as age, length of service, and employment status, that employees must meet before they are allowed to participate in the plan. For example, a pension plan might stipulate that for an employee to be eligible to participate in the plan, he or she must be at least 21 years old, work a minimum of 20 hours per week, and have been employed by the company for at least one year. Sometimes the company decides these eligibility requirements and sometimes the company works with the plan administrator to decide the requirements.

Regardless of how benefit eligibility requirements are determined, these criteria must be applied indiscriminately to the workforce to avoid *top-heaviness* or discrimination within the plan. Top-heaviness refers to a plan (generally a pension plan) in which more than 60 percent of the assets are contributed by or on behalf of key employees, such as owners or executives, or those who earn more than a certain amount of compensation. Plans that are top-heavy are subject to financial remedies that redistribute plan assets more proportionately.

Another eligibility-related term that generally applies to pension plans is *vesting*. Vesting refers to the schedule by which employees take ownership of the contributions made to their pension plan by the company on their behalf. Three types of vesting are described as follows:

- Graded vesting. A schedule whereby, for each year that employees remain with the company, they gain a larger percentage of ownership of their employer-contributed account balance. ERISA's minimum requirements for graded vesting are based on at least 20 percent vesting not later than the third year of employment, with an additional 20 percent vesting each year thereafter. Full vesting is required by the seventh year of employment.
- Cliff vesting. A schedule that requires full vesting no later than the fifth year of employment, but does not require any vesting prior to year five.
- Other vesting schedules. A schedule that can always be more generous than cliff or graded vesting, but cannot be more restrictive in order to comply with ERISA standards.

By instituting a vesting schedule, a company creates an incentive for employees to remain with the company. If employees leave the company before they are fully-vested in the plan, they forfeit a portion of the contributions made by the employer on their behalf and any earnings associated with those contributions. These funds must be redistributed within the plan.

Some benefit plans contain open enrollment or reenrollment periods. Open enrollment refers to a time during which employees can change their benefit coverage or begin enrollment in a plan in which they were not previously enrolled. If an employee makes such changes outside of the open enrollment period, waiting periods might be required before the changes take effect, or employees might be prohibited entirely from making changes outside the open enrollment period. Reenrollment occurs when a plan is based on a specific time period,

generally one year. Employees must reenroll in that plan annually. During the reenrollment period, employees can sign up for different coverage than they had previously.

Frequently, annual reenrollment periods are associated with cafeteria plans or flexible spending account plans. Cafeteria plans, often referred to as flexible benefit plans, are an effective way of allowing employees to choose benefits that are useful to them. Employees pick from a menu of benefit options and pay only for those options that they choose. This method of selecting benefits represents a cost savings to both employee and employer because they both are paying only for benefits that the employee uses. Generally, employers grant employees a certain number of flex credits that they used to pay for the benefits that they choose. Each benefit option has a flex cost, and that cost is deducted from the total number of flex credits granted to the employee.

When an employee does not have enough flex credits to pay for the benefits that the employee chose, the excess amount can be deducted from the employee's payment through payroll deductions.

When an employee has more than enough flex credits to pay for the benefits that the employee chose, some employers allow the employee to use the excess credits in one of the following ways:

- Receive the excess amount in the form of a taxable addition to the employee's pay.
- Use the excess amount for other life needs, such as tuition expenses, weight-loss programs, smoking cessation programs, or financial planning expenses.

Some employers do not permit employees to use excess flex credits.

Flexible spending accounts (FSAs) are offered to employees under section 125 of the Internal Revenue Code. These benefits enable employees to elect a certain amount to be deducted from their payments on a pretax basis for future use in paying medical-related or dependent-care expenses. The Internal Revenue Service (IRS) strictly regulates the expenses that are eligible for reimbursement and the amount of money that employees may contribute annually to these FSAs. Additionally, as required by the IRS, the employee must forfeit any monies that remain in the employee's account after the end of the plan year and reimbursement period.

The Competitive Advantage

The following table presents typical problems with tracking benefits, the J.D. Edwards solution that resolves each problem, and the return on investment from using J.D. Edwards software:

Your company needs to track separate benefit plans for union and nonunion employees.	Your company can use the group plan DBA feature to group a set of DBAs that are unique to union members, such as union membership dues. Using benefit groups, you can set up a union group so that the eligibility and participation requirements within a union are applied specifically to union members only. You can eliminate errors during data entry using job and union reports. Using this system, benefit plans are clearly organized and easily administered. The human resources staff can dedicate time and resources to other projects.
During consolidations, the merging companies have difficulties managing	By maintaining two sets of benefit packages, your company can track the eligibility of employees under each package

the consolidation of benefit packages for the employees of each company.

separately. Your company can set up different benefit plans and groups for each package. When your company uses the employee master mass changes feature, you can assign the appropriate benefit group to many employees at once. To enroll employees in newly-consolidated plans or to enroll the acquired employees in existing plans, you can use the batch enrollment or self-service open enrollment features. Using the human resources call center function, you can route employee phone calls regarding benefits or the consolidation to the appropriate person in the human resources department. Plans are better organized and more easily administered. Using Web-enabled applications saves resources and associated costs.

When a large group of employees is hired at the same time, your company has difficulty gathering all the appropriate information and entering it into the system so that benefits are initiated in a timely manner.

From the company's intranet site, your employees can use employee self-service to learn about company benefits and enroll in the appropriate plans. Using the self-service function, employees can view their choices and see the amounts of the actual deductions. Benefit administrators can use the batch enrollment feature to automatically set up a large number of employees for benefits. When employees are empowered to perform human resources functions on their own, the human resources staff can be dedicated to other projects, resulting in increased productivity and decreased costs for administrative tasks.

Your company needs to provide information to employees about what benefits they are enrolled in and how much your company contributes toward those benefits.

Your human resources department can create a benefit statement report that contains appropriate information about pay, deductions, benefits, and accruals (PDBAs), and taxes. You can run this report as frequently as needed to compile the PDBA and tax totals of your employees, based on payroll history records for a specified time. The system provides accurate and detailed information to employees about their benefits and, therefore, saves human resources staff from spending time compiling this information manually. Employees can review their statements to ensure that enrollment information is correct. When the employees realize the value of the employee-sponsored benefits, they often have greater company loyalty and higher job satisfaction.

Your company needs to know exactly how much you owe to a benefit provider.

Because the Human Resources, Payroll, and Accounts Payable systems are integrated, your company can designate at the benefit plan level that the system generate an Accounts Payable voucher that is based on the employee deductions and employer contributions for a certain benefit. When you process payroll, the system sums all deductions and employer contributions for the benefit and creates a voucher for the total amount. The system then logs the voucher amount in the Accounts Payable system. Using the J.D. Edwards Benefits Administration feature helps ensure that benefit vendors receive the correct payments. The human resources department saves time because no one has to compute payment amounts manually.

Your company needs to keep track of dependents and beneficiaries within the plan.	You can use the Dependent/Beneficiary Entry form to track information about dependents and beneficiaries, such as full-time student status and date of birth. Also, dependents and beneficiaries who are enrolled in specific plans can be listed with the employee with whom they are associated on the Dependent/Beneficiary by Employee form. Several standard reports help you determine whether dependents have become ineligible for the plans.
Your company needs to provide information to employees about benefit enrollment.	Employees can use the employee self-service feature to learn about their benefits, view their benefit options, enroll in benefit plans, review and make changes to their existing benefit elections, and perform <i>what if</i> analysis to determine the total cost of elections. The self-service feature saves the human resources staff from spending time explaining and distributing enrollment forms and providing enrollment confirmations.
Your company needs a system that accommodates exceptions to standard eligibility requirements.	You can add to any benefit plan and make the changes effective at any time. When you need to make a one-time change to the amount of a deduction or benefit, you can use the one-time DBA overrides feature in time entry to enter the change. The system reduces the time needed to manually override or correct benefits deductions or subsidies during payroll processing. It also eliminates the need to manually track employees with special circumstances.
Your company is the plan administrator for your own retirement and pension plans, so you are required to track fund allocations and prove that they are nondiscriminatory plans.	You can use the fund allocation setup and allocations by employee features to list all of the funds that are available within a retirement plan. You can specify whether employees are owners or officers of the company, whether they are considered highly compensated, and whether they should be included in <i>look-back year</i> statistics. This information helps ensure that the statistics that you compile for nondiscrimination testing are accurate. The system makes fund allocation easy to administer and maintain, thus reducing the need for paying third-party administrators for this service. You can accurately report plan and participation data.
Your company needs to know whether employees are eligible for benefits when they are working part time or are on flexible schedules.	You can use the enrollment parameters feature to specify the conditions under which time eligibility is tested. If you set up minimum hours requirements in the continuing eligibility tables feature, the system reviews an employee's scheduled hours to determine whether he or she is eligible for the plan. If the employee works fewer than the required hours, the employee's benefit status changes, based on how the eligibility rules are set up.
When self-administering benefit plans that are based on factors such as income and age, your company needs to ensure that the premiums charged are in accordance with factors associated with the plan.	You can set up your own calculation tables that define the appropriate premiums to charge for each age or income bracket. You can update these tables in one place when rates change, and then the system automatically updates all deductions for employees who are enrolled in the plan. You can increase the accuracy of the premiums that you deduct for

associated with the plan.

age-based benefit plans. The human resources staff no longer needs to manually track age-based rate increases.

Benefits Administration Overview

You use the Benefits Administration feature of the J.D. Edwards Human Resources system to implement and support benefit packages for the employees in your organization. With Benefits Administration, you can enroll employees in the benefit plans that your organization offers. You can end enrollment whenever employment ends or your organization changes benefit plans. You can also add new benefit plans, change the cost of current plans, and remove old plans from the system.

System Integration for Benefits

Benefits Administration is a feature of the J.D. Edwards Human Resources system. To simplify your processes and facilitate communication within your organization, the Benefits Administration feature fully integrates with the other features within the Workforce Management product suite and with other J.D. Edwards systems, such as General Accounting. This integration provides the following advantages:

- It eliminates redundant data entry
- It manages current and accurate information across all your business operations

To prevent unauthorized access to confidential information, you can set up system security that allows users to access only the information they need for their jobs.

The following table shows how the Benefits Administration feature integrates with other features within the Workforce Management product suite:

Feature	Benefits Administration	Human Resources	Payroll
• Quick Hire		X	
• Pay Types, Deductions, Benefits, and Accrual Setup	X		X
• Time Entry			X
• Automatic Accounting Instructions			X
• Job Information	X	X	X
• Employee Information	X	X	X
• Employee Self-Service	X	X	X
• Employee History and Turnover Tracking		X	

Benefits Features

The Benefits Administration feature provides you with the tools to manage your organization's benefit plans with online integration with other human resources information and payroll processing. With Benefits Administration, you can respond to employees' requests for information about their benefits.

You can also perform the following functions:

- Administer any number of plans with varying amount or rate options
- Separate the employer and employee portions of the costs of the plans and options
- Administer both pretax and posttax benefits
- Track noncash benefits, such as use of a company car or health club dues
- Determine benefits eligibility based on system or user-defined criteria
- Generate payroll deductions

Benefits Terms and Concepts

You need to understand the following terms and concepts to administer your benefit program:

Allocation	An allocation is the distribution of funds throughout various investment options. For example, you might allocate half of the money that you are investing to one fund and the other half to another fund.
Beneficiary	A beneficiary is the individual who will receive the benefit from an insurance or investment plan in the event of the plan holder's death. For example, you might designate your spouse as the beneficiary of your life insurance plan.
Benefit group	A benefit group is a group of employees who, for benefit purposes, are offered the same set of benefit plans. For example, you might create separate benefit groups for salaried employees, hourly employees, or executives.
Benefit category	A benefit category is a broad description of related benefit plans. For example, a benefit category might be medical, dental, or retirement.
Benefit plan	A benefit plan is a plan that provides a benefit for the employee. For example, a benefit plan can be traditional medical, medical HMO, vision, dental, and so forth.
Dependent	A dependent is an individual, such as a spouse or child, whom an employee supports financially. Dependents are often entitled to share in an employee's benefit plans, such as medical insurance.
Deductions, benefits, and accruals (DBAs)	<p>A deduction is a monetary amount taken out of an employee's pay. For example, a deduction can contribute toward a benefit, such as life insurance or medical coverage.</p> <p>A benefit is something employees receive for working for the employer. For example, a benefit can be a medical insurance plan, a 401(k) program, or a life insurance plan.</p> <p>An accrual is typically sick time, vacation time, or holiday time that can be</p>

accumulated by the employee and used at a later date.

- Flexible benefit plan** A flexible benefit plan, also called a flex plan, allows employees to choose the benefits that meet their individual needs. Employers provide employees with flex credits with which they can purchase the benefit plans that they want. Employers can provide flex credits in a lump sum that is based on factors such as length of service or in a lump sum that is the same for all employees. Flex credits can also be awarded upon selection of certain benefit plans.
- Plan option** A plan option further defines the benefit plan. For example, within a medical plan you might have options for employee, employee plus one, and employee plus family.

Benefits Administration

As part of a total compensation package, companies typically provide benefit plans for their employees. Benefit plans vary among companies, organizations, and industries. However, most benefit plans include medical insurance, life insurance, and retirement and investment programs. Additionally, a company might offer various plan options.

You enroll employees in benefits so that they can participate in the benefit plans that your organization offers. Depending on how you have set up your benefit plans and the eligibility standards for employees or groups of employees, you can use one or more of the following methods to enroll employees in the plans:

- Enrollment with eligibility
- Enrollment overrides
- Batch enrollment
- Self-service enrollment

When you need to enroll employees in benefit plans that have eligibility requirements, you typically use the enrollment with eligibility method. When you use this method, the system verifies that the employee meets the eligibility requirements before it enrolls the employee in a plan. You can also use batch enrollment to globally enroll employees who are eligible for enrollment. You typically use batch enrollment to enroll employees in mandatory and default plans.

In some cases, you might need to waive eligibility requirements for an employee. For example, when you rehire an employee who previously worked for your organization for ten years, you might waive the eligibility requirements for that employee. When you enroll the employee in benefit plans, you use enrollment overrides to waive the eligibility requirements of those plans.

You can provide an additional service to employees and reduce your data entry by allowing self-service benefits enrollment. With self-service enrollment, employees can use a Web site on your company's intranet to enroll in or change their own benefits during an open enrollment period or when an employee is hired or has a life change, such as marriage. The system stores the changes that an employee makes in workfiles, which it then updates to the live benefits tables.

You need to maintain accurate and current information to successfully administer benefit plans to all employees throughout your company. After you enroll employees in benefit plans, you can perform the following tasks:

- Correct or change employee and enrollment information
- Manage plan changes and open enrollment

For each employee, you can produce a benefits statement that indicates the amount that both the employee and the company have contributed to the employee's benefits, taxes, and other compensation.

See Also

- ❑ *Employee Self-Service* in the *Workforce Management Self-Service Guide* for more information about self-service applications

Enrolling Employees

You enroll employees in benefits so that they can participate in the benefit plans that your organization offers. You also enroll employees so that they can pay premiums or make contributions to the benefit plans through payroll deductions. You can choose from the following methods for enrolling employees in benefits:

- Enrollment with eligibility
- Enrollment overrides
- Batch enrollment
- Self-service enrollment

For benefit plans that have eligibility requirements, you can enroll employees using enrollment with eligibility or batch enrollment. You also use these methods when your company requires a certain group of employees to participate in particular plans. For example, you can use batch enrollment to enroll every employee assigned to the management benefit group in a mandatory management medical plan.

When you use enrollment with eligibility or batch enrollment, the system verifies that the employee's eligibility meets the standards for the plans and plan options that are available to the benefit group.

To use either enrollment with eligibility or batch enrollment, you must create benefit groups when you set up your system. A benefit group identifies the type of employee who is eligible for a particular set of benefits. Examples of benefit groups might include executives, hourly employees, and part-time employees. You can create benefit categories (broad descriptions of related types of benefit plans) for each benefit group, and you can link multiple benefit plans to each category. For example, you can create a benefit category called medical and link two medical plans, a traditional-style plan and an HMO, to that category.

Additionally, you can set up default plans for some benefit categories. This means that, when a category has more than one plan, you can define one of the plans as the default plan. If an employee does not choose a plan or plan option, the system automatically enrolls the employee in the default plan.

You can use enrollment overrides when you need to waive eligibility requirements for specific employees.

As an alternative to entering each employee's enrollment information yourself, you can allow employees to enroll themselves online using self-service benefits.

See Also

- ❑ *Enrolling in Flex Benefit Plans* in the *Human Resources – Benefits Guide* for more information about displaying flex benefit costs and credits
- ❑ *Employee Self-Service Benefits Setup* in the *Workforce Management Self-Service Guide* for more information about using self-service for benefits administration functions

Before You Begin

- ❑ Set up benefit plans and related information. See *Setting Up Benefit Plans* in the *Human Resources – Benefits Guide*.

- ❑ Create an employee record for each employee whom you need to enroll in benefits. See *Adding Employee Records One at a Time* in the *Workforce Management Foundation Guide*.
- ❑ If you need to enter or change the benefit group selection for a group of employees before you enroll them in benefit plans, see *Processing Mass Changes* in the *Workforce Management Foundation Guide* for instructions for assigning benefit groups globally.

Enrolling Employees Using Eligibility

To enroll an employee in benefit plans that have eligibility requirements, you can use the enrollment with eligibility feature. For you to use this feature, the employee must be assigned to a benefit group. When you enroll an employee, the system tests for eligibility and assigns the applicable enrollment status and date to the employee's record, based on which eligibility requirements are met.

The system displays the selected employee's benefit group, benefit group rule, pay frequency, benefit status, and date started. If the employee's benefit group does not offer flex plans, the system also displays the total payroll deduction for the plans in which the employee is enrolled. The system updates this total as you change the employee's enrollment.

If the selected employee's benefit group offers flex plans, the system displays a Flex Elections tab, which lists the employee's available, spent, and remaining flex credits. The system also displays the employee's nonflex payroll deductions, any flex payroll deduction that results from overspending flex credits, and total payroll deductions.

The system displays a colored box at the top right corner of the enrollment form to indicate the current payroll status of an employee. The box can display any of the following colors and statuses:

- Green. Active employee not included in the current payroll cycle.
- Fuchsia. Active employee included in the current payroll cycle.
- Red. Terminated employee.
- Yellow. Employee on leave of absence.

For some benefit plans, you can enter variable amounts or rates. For example, when you enroll an employee in a retirement plan, you can enter the percentage of salary that the employee wants to contribute to the plan. When you enroll an employee in a plan that requires you to enter an amount or rate that is unique to that employee, an additional form appears on which you can enter the information.

You can set up a default plan for a benefit category in which employees are required to elect a plan. For example, you can set up a medical benefit category that includes three plans, with a default plan for no coverage. Employees can choose a medical plan in which they want to participate. If an employee does not choose a medical plan in the category, the system automatically enrolls the employee in the default plan for no coverage.

When you are enrolling an employee in benefit plans, you can use the options on the Row menu to access detailed information about individual benefit plans.

See Also

- ❑ *Working with Enrollment with Eligibility* in the *Human Resources – Benefits Guide* to change an employee's enrollment information for plans that have eligibility requirements

► To enroll an employee using eligibility

From the *Daily Processing* menu (G08BB1), choose *Enrollment with Eligibility*.

1. On *Work With Enrollment With Eligibility*, complete the following fields and click *Find*:

- Employee Identification
- Effective Date

PeopleSoft

Select Workspace: Active Foundation

Active Foundation

Enrollment with Eligibility - Work With Enrollment With Eligibility

Employee Identification: 5522 Thompson, Craig

Effective Date: 01/01/00

Benefit Group: FLEX Flex Benefits Benefit Status: Active

Benefit Group Rule: 1 Pos. remaining credits allowed Date Started: 02/15/97

Pay Frequency: S Semi-Monthly

Category	Category Rule	Plan ID	Plan Description	Plan Option	Plan Option Description	M	P
<input type="checkbox"/>	FLEXMED	No rules apply-select any item	FMEDEE	Medical Flex Ee Only			N
<input checked="" type="checkbox"/>			FMEDEE+1	Medical Flex Ee + 1			N
<input type="checkbox"/>			FMEDEE+2	Medical Flex Ee + 2 or More			N
<input type="checkbox"/>	FLEXDEN	No rules apply-select any item	FDENTEE	Dental Flex Ee Only			N
<input checked="" type="checkbox"/>			FDENTEE1	Dental Flex Ee + 1			N
<input type="checkbox"/>			FDENTEE2	Dental Flex Ee + 2 or More			N
<input checked="" type="checkbox"/>	FLEXVIS	No rules apply-select any item	FVISEE	Vision Flex Ee Only			N
<input type="checkbox"/>			FVISEE1	Vision Flex Ee + 1			N
<input type="checkbox"/>			FVISEE2	Vision Flex Ee + 2 or More			N
<input checked="" type="checkbox"/>	FLEXEDED	No rules apply-select any item	FLXEDED	Employee Flex Deduction			Y

2. Review the information in the following fields:

- Benefit Group
- Benefit Status
- Benefit Group Rule
- Date Started
- Pay Frequency

3. If the selected employee's benefit group offers flex plans, click the Flex Elections tab and review the information in the following fields as you change the employee's enrollment:
 - Flex Credits Available
 - Non Flex Payroll Deduction
 - Flex Credits Spent
 - Flex Payroll Deduction
 - Flex Credits Remaining
 - Total Payroll Deductions

4. In the detail area, choose each row that contains a benefit plan or plan option in which you want to enroll the employee, and then choose Elect from the Row menu. If any of the plans that you choose requires an amount or rate, the Change Amount or Rate form appears.

The screenshot displays the PeopleSoft interface for managing employee benefit enrollment. The main window is titled "Enrollment with Eligibility - Change Amount or Rate". It shows the following information:

- Employee No.:** 5522, **Thompson, Craig**
- Plan ID:** 401K, **401(k) Plan**

Below this is the "Override Amounts" section, which contains a table for entering deduction details:

DBA Type	Code	Plan Name	Amount/Rate	Unit
Employee Payroll Ded DBA	7000	401(k)	5.0000	%
Employer Paid Benefit DBA	7001	401(k) Co.		%
Flex Cost DBA				
Flex Credit DBA				

5. On Change Amount or Rate, type the amount or rate that the employee pays in the unlabeled field to the right of the Employee Payroll Ded DBA field.
6. If applicable, complete the unlabeled field to the right of the Employer Paid Benefit DBA field.

If your company has set up the employer-paid DBA to calculate from the employee-paid DBA, leave the unlabeled field to the right of the Employer Paid Benefit DBA

field blank. For this type of setup, the system calculates the amount or rate based on the value in the employee-paid field. If your company has not set up the system so that it calculates the employer-paid DBA based on the employee-paid DBA, type the amount or rate in the unlabeled field to the right of the Employer Paid Benefit DBA field.

7. When you have entered the amounts or rates, click OK to close Change Amount or Rate.
8. On Work With Enrollment With Eligibility, review the amount in the following field on either the General tab or the Flex Elections tab:

- Total Payroll Deduction:

The system displays the Total Payroll Deduction field on the General tab only if the selected employee's benefit group does not offer flex plans. If the selected employee's benefit group offers flex plans, the system displays the Total Payroll Deduction field on the Flex Elections tab.

Before you click Submit to save the elections, you can undo an incorrect election by double-clicking the check mark bitmap for that election.

9. Click Submit to save your entries.

Note

Every time you submit records in Enrollment with Eligibility, the system recalculates the DBA amounts.

If you discover an incorrect election after you have saved the record, choose the Mistaken Enrollment option from the Row menu to remove the election. See *Working with Enrollment with Eligibility* in the *Human Resources – Benefits Guide* for information about removing elections.

Processing Options for Enrollment with Eligibility (P08334)

Dates Tab

These processing options specify the dates that the system uses when it processes enrollments with eligibility.

1. Effective Date

A specific date

Blank = the system date

Use this processing option to indicate the effective date. To use the system date as the effective date, leave this processing option blank. The effective date is used in conjunction with the plan's initial and continuing eligibility tests to determine the employee's enrollment status and date. When you enter an effective date on the Enrollment with Eligibility form,

that date overrides the date that you enter in this processing option.

2. Eligible Date

0 = Do not calculate

for unelected plans

1 = Calculate for

unelected plans

Use this processing option to define whether the system automatically calculates and displays eligibility dates for unelected plans and plan options. Valid values are:

0

Do not calculate for unelected plans.

1

Calculate eligibility dates for unelected plans and plan options.

Calculating eligibility for unelected plans and plan options significantly increases the time required to display the employee's plan information.

3. Qualifying Life Event Date

A specific date

A specific date when a qualifying life event, such as marriage, occurred.

Defaults Tab

These processing options specify the default information for processing enrollments.

1. Future Enrollment Status

Any 3 alphanumeric

status.

Use this processing option to define the value that you are using to indicate that a future enrollment record exists for the plan. The values that you enter in this processing option are not associated with a user defined code table.

For this processing option, "future" means that the actual plan enrollment date is greater, or later in the future, than the entered effective date.

2. Mistaken Enrollment

Status

A valid code

Use this processing option to define the user defined code (08/ES) for the enrollment status that you want to assign to mistaken enrollments. If you leave this processing option blank, the system displays an error message when you choose the Mistaken Enrollment option on Enrollment with Eligibility.

3. Ending Enrollment Status

A valid code

Use this processing option to define the user defined code (08/ES) for the enrollment status that you want to assign to enrollments that have ended. If you leave this processing option blank, the system displays an error message when you choose the Stop - Auto Dt/Sts (Stop - Automatic Date and Status) option on Enrollment with Eligibility.

4. Ending Enrollment Status

Based on Plan End Date(s)

A valid code

This processing option affects enrollments in only those plans for which you entered an ending date in either the Plan Master (P08320) or Plans within Categories (P08351). For example, a flexible spending account plan might have an ending date because employees must re-enroll in the plan each year. Use this processing option to define the user defined code (08/ES) for the ending enrollment status that you want to assign to enrollments in these plans. The system assigns the ending enrollment status when you enroll the employee in the plan.

5. Ending Enrollment Status

Based on Rate Change

A valid code

Use this processing option to select the user defined code (08/ES) that you want to assign to enrollments that have ended because of a rate change to a plan or option.

The system checks for plan and option rate change as of the effective date keyed in. If there is a rate change, the system verifies the existence of DBA history for the plan or option. If DBA history exists, this processing option ends the enrollment. A new enrollment and new Employee DBA Instruction records with the new rates are created. If no DBA history exists, the existing Employee DBA Instruction records are replaced with the new rates.

6. Enrollment Event Code

A valid UDC Code

A specific date when a qualifying life event, such as marriage, occurred.

7. Call Enrollment Event Form

- 0 = No
- 1 = Yes

A code used to determine whether to call the form that is used to enter the enrollment event code and event date. Valid values are:

- 0 Do not call the form.
- 1 Call the form.

8. Plan/Option Description

- 0 = Plan/Option Description (30 char)
- 1 = Plan/Option Self Service Description (50 char)

Use this processing option to specify whether to get the description from table F08320/F083202, Plan/Option Description, or from table F08320B, Self-Service Description. Valid values are:

- 0 Get description from F08320 or F083202, Plan/Option Description.
- 1 Get description from F08320B, Self-Service Description.

Enrolling Employees Using Overrides

You can use enrollment overrides when you need to waive eligibility requirements for specific employees. For example, when your organization acquires another company, the acquisition plan might stipulate that you waive the benefits eligibility requirements for the employees in the acquired company. You can use enrollment overrides to enroll these employees in plans for which they would not typically meet the eligibility requirements.

See Also

- ❑ *Assigning DBA Codes in the Workforce Management Foundation Guide*

► To enroll employees using overrides

From the Daily Processing menu (G08BB1), choose Enrollment Overrides.

1. On Enrollment Overrides, to locate the employee for whom you need to enter plans, complete the following field and click Find:

- Employee Identification

The system shows all of the plans in which the employee is enrolled.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Enrollment Overrides

Employee Identification: 7500 McDougle, Cathy

Status: Lock = BI-WEEKLY

Skip To Plan ID:

Plan ID	Plan ID Description	Plan Option	Plan Option Description	Begin Status	Begin Status Description	Begin Date	End Status
<input checked="" type="checkbox"/>	401K		401 (k) Plan	ACT	Active	01/01/05	
<input checked="" type="checkbox"/>	DENTAL	ONE	Dental Insurance Employee + One	ACT	Active	01/01/05	
<input checked="" type="checkbox"/>	LIFE		Life Insurance Plan	ACT	Active	01/01/05	
<input checked="" type="checkbox"/>	LIFE10K		Life Insurance Plan 10,000	ACT	Active	01/01/05	
<input checked="" type="checkbox"/>	LTD		Disability - Long Term	ACT	Active	01/01/05	
<input checked="" type="checkbox"/>	MED+ONE		Medical Plan - EE + One	ACT	Active	01/01/05	
<input checked="" type="checkbox"/>	STD		Disability - Short Term	ACT	Active	01/01/05	
<input checked="" type="checkbox"/>	VISIONE1		Vision - EE + One	ACT	Active	01/01/05	

2. To enroll the employee in a plan, complete the following fields in a blank row in the detail area:

- Plan ID
- Begin Status
- Begin Date
- Eligible Date
- Participation Date

3. If the plan has associated options, complete the following field:

- Plan Option

If the plan requires an amount or rate, Change Amount or Rate appears.

4. On Change Amount or Rate, type the amount or rate that the employee pays in the unlabeled field to the right of the Employee Payroll Ded DBA field.
5. If applicable, complete the unlabeled field to the right of the Employer Paid Benefit DBA field.

If your company has set up the system so that it calculates the employer-paid DBA based on information in the employee-paid DBA, leave the unlabeled field to the right of the Employer Paid Benefit DBA field blank. For this type of setup, the system calculates the amount or rate based on the value in the employee-paid field. If your company has not set up the employer-paid DBA to be calculated based on information in the employee-paid DBA, type the amount or rate in the unlabeled field to the right of the Employer Paid Benefit DBA field.

6. When you have entered the amounts or rates, click OK to close Change Amount or Rate.
7. To enroll the same employee in another plan, repeat the previous steps.
8. When you are finished entering the plans, click OK.
9. To verify changes to an amount or rate for a plan, review the DBA instructions for the employee.

Processing Options for Enrollment Overrides (P08330)

Defaults Tab

These processing options specify the default values that the system applies when you enroll employees with overrides.

1. DBA Points Multiplier

Factor or Blank

Use this processing option to identify a factor to convert Plan DBA Points to a monetary amount. The system multiplies the factor by the DBA points.

The factor can be a whole number and up to four decimal places, or up to four decimal places only without a whole number. For example, 1.4321 would be the format for a whole number and decimal places, or .9876 would be the format for a factor of less than one.

Blank is a valid value if the Plan DBA Points do not need to be converted to a monetary amount.

2. Plan/Option Description

0 = Plan and Option Description

1 = Self Service Description

Use this processing option to specify whether to get the description from table F08320/F083202, Plan/Option Description, or from table F08320B, Self-Service Description. Valid values are:

0 Get description from F08320 or F083202, Plan/Option Description.

1 Get description from F08320B, Self-Service Description.

3. Enrollment Event Codes

0 = Do Not Show

1 = Show

Use this processing option to specify whether the qualifying event code should display on the form. The Enrollment Event Code identifies a life event such as marriage. An enrollment or change by override cannot be made without an enrollment event, but the code does not need to display on the form. Valid values are:

0 Do not show the event code.

1 Show the event code.

Enrolling Employees Using Batch Enrollment)

From the Daily Processing menu (G08BB1), choose Batch Enrollment.

To enroll multiple employees at the same time, use the Batch Enrollment program (R083800). Batch Enrollment is an especially efficient program for enrolling employees in mandatory plans. For example, you can enroll all employees who are assigned to the management benefit group in a mandatory management medical plan.

You can also use the Batch Enrollment program to enroll employees in default plans. That is, if a category has more than one plan, you can set up one plan as the default. If an employee does not make a selection from the category, the system enrolls the employee in the default plan.

In addition, if you have enrolled employees who did not immediately pass the eligibility requirement, you can run the Batch Enrollment program to retest their eligibility. The system uses the defined effective date to retest the employees and enrolls the employees who meet the test criteria. To test eligibility, the system uses the eligibility rules and date codes that are assigned to the plan in conjunction with the enrollment parameters.

For example, an employee might have a three-month waiting period for active enrollment. You receive the election forms one month after the hire date and enter the elections. The employee does not pass the initial eligibility test, so the system gives the employee an ineligible status. When you run the Batch Enrollment program with an effective date that is three months after the hire date, the program retests the employee using the initial eligibility test. This time, the employee passes the eligibility test, and the system updates the records. You can review both the *before* and *after* enrollment records to review the changes that the system made.

Depending on how you set the processing options, the Batch Enrollment program generates one or more of the following reports:

Detail By Employee	Use this report to review all employees and their corresponding enrollment status for each benefit plan.
Invalid Enrollment	Use this report to identify any employees enrolled in a benefit plan that is not available for the benefit group.
One Election Required	Use this report to identify employees who have not elected at least one plan within a category that requires election of a plan.
Manual Review	Use this report to identify any employees enrolled in a benefit plan that is not available for the benefit group.
No Action Taken	Use this report to review the records that the system did not change during the batch enrollment. The report includes remarks indicating why the enrollment was not made and the action that must occur before the system enrolls the employee. Additionally, the report lists invalid date errors and indicates that incorrect dates were included in the plan setup.

To preview the changes that will take place during batch enrollment, you can run the Batch Enrollment program in proof mode. After you review the reports to verify that the enrollments are correct, you can run the Batch Enrollment program in final mode.

Note

The system recalculates the plan costs every time you run the Batch Enrollment program.

See Also

- ❑ *Setting Up Enrollment Parameters* in the *Human Resources – Benefits Guide* for information about how the system uses the eligibility rules and date codes assigned to the plan in conjunction with the enrollment parameters to test eligibility.

Before You Begin

- ❑ Assign a benefit status to all employees who are to be processed by batch. See *Entering Additional Benefits Information for Employees* in the *Workforce Management Foundation Guide*.
- ❑ Review the setup for the Batch Enrollment Parameters table (F08392). See *Setting Up Enrollment Parameters* in the *Human Resources – Benefits Guide*.

Processing Options for Batch Enrollment (R083800)

Date Tab

This processing option specifies the dates that the system uses when it processes batch enrollments.

1. Effective Date

A specific date

Blank equals system date

Use this processing option to enter the effective date of the enrollment. To use the system date as the effective date, leave this field blank. The effective date is used in conjunction with the plan's initial and continuing eligibility tests to define the employee's enrollment status and date.

Process Tab

These processing options specify the type of information to process during a batch enrollment.

1. Mode

0 = Proof

1 = Final

Use this processing option to define whether you want to process enrollments in proof mode or final mode. Valid values are:

0 Proof mode. The system prints the requested reports without updating the employees' DBA instructions. Use the report to verify enrollment information before you process enrollments in final mode.

1 Final mode. The system prints the requested reports and updates the database. Use this mode after you have verified enrollment information and are ready to update the employees' DBA instructions.

2. Category

A specific category

Blank = All

Use this processing option to define the category for which you want to process enrollments. If you leave this processing option blank, the system processes all categories.

3. Plan

A specific plan

Blank = All

Use this processing option to define a plan to run batch processing. If you leave this processing option blank, the system runs batch processing for all plans.

4. Plan Additional Option

A specific plan additional
option

Use this processing option to define a Plan Additional Option to run batch processing. If you leave this processing option blank, the system runs batch processing for all Plan Additional Options. This must be a valid Plan Additional Option and must be used in conjunction with the Plan Id processing option.

5. Ending Enrollment Status

Based on Plan End

Date(s). A valid code

This processing option affects enrollments in only those plans for which you entered an ending date in either the Plan Master (P08320) or Plans within Categories (P08351). For example, a flexible spending account plan might have an ending date because employees must re-enroll in the plan each year. Use this processing option to define the user defined code (08/ES) for the ending enrollment status that you want to assign to enrollments in these plans. The system assigns the ending enrollment status when you enroll the employee in the plan.

6. Benefit Status

0 = Status changed to

Active

1 = Status remains

unchanged

Use this processing option to indicate the change of benefit status of the employees in the report. Valid values are:

0

Status changed to Active

1

Status remains unchanged

Enrollment Tab

These processing options specify the types of employees to include in the batch enrollment.

1. Mandatory and Default Plans for New

Hires

0 = Do Not Enroll

1 = Enroll

Use this processing option to indicate whether you want the batch enrollment to enroll newly hired employees in all mandatory and default benefit plans.

Newly hired employees are employees who have a benefit status of N. Valid values are:

0 No. Do not enroll new hires in mandatory and default plans.

1 Yes. Enroll new hires in mandatory and default plans.

2. Mandatory and Default Plans for Rehires

0 = Do Not Enroll

1 = Enroll

Use this processing option to indicate whether you want the batch enrollment to enroll rehired employees in all mandatory and default benefit plans.

Rehired employees are employees who have a benefit status of R. Valid values are:

0 No. Do not enroll rehired employees in mandatory and default plans.

1 Yes. Enroll rehired employees in mandatory and default plans.

3. Mandatory and Default Plans for Transfers

0 = Do Not Enroll

1 = Enroll

Use this processing option to indicate whether you want the batch enrollment to enroll recently transferred employees in all mandatory and default benefit plans. Recently transferred employees are employees who have a benefit status of T. Valid values are:

0 No. Do not enroll transferred employees in mandatory and default plans.

1 Yes. Enroll transferred employees in mandatory and default plans.

4. Mandatory and Default Plans for Active

Employees

0 = Do Not Enroll

1 = Enroll

Use this processing option to indicate whether you want the batch enrollment to enroll active employees in all mandatory and default benefit plans. Active employees are employees who have a benefit status of A. Valid values are:

0 No. Do not enroll active employees in mandatory and default plans.

1 Yes. Enroll active employees in mandatory and default plans.

Recalculation Tab

This processing option specifies the ending enrollment status for a date-sensitive amount or rate that has changed for an enrolled plan.

1. Ending Enrollment Status

A specific enrollment
status

This processing option is used when a date sensitive amount or rate has changed for an enrolled plan. If the DBA within that plan has history attached to it, the system must write the old record with an ending status and a new record with the new amount or rate.

The code entered in this option may be different from the code defined in the option under the Process tab to easily identify why the plan was ended and started again. If the DBA within that plan has no history attached to it, the current record is replaced with the new amount or rate.

Reports Tab

These processing options specify the reports that the system prints when you process a batch enrollment. To print any of these reports, you must enter 1 next to the report name on the Reports tab.

1. Detail By Employee

0 = Do Not Print
1 = Print

Use this processing option to indicate whether you want to print the Detail by Employee report when you process a batch enrollment. Valid values are:

0 Do not print the report.
1 Print the report.

2. Invalid Enrollment

0 = Do Not Print
1 = Print

Use this processing option to indicate whether you want to print the Invalid Enrollment report when you process a batch enrollment. Valid values are:

0 Do not print the report.

1 Print the report.

3. One Election Required

0 = Do Not Print

1 = Print

Use this processing option to indicate whether you want to print the One Election Required report when you process a batch enrollment. Valid values are:

0 Do not print the report.

1 Print the report.

4. Manual Review

0 = Do Not Print

1 = Print

Use this processing option to indicate whether you want to print the Manual Review Requested report when you process a batch enrollment. Valid values are:

0 Do not print the report.

1 Print the report.

5. No Action Taken

0 = Do Not Print

1 = Print

Use this processing option to indicate whether you want to print the No Action Taken report when you process a batch enrollment. Valid values are:

0 Do not print the report.

1 Print the report.

6. Changes

0 = Print all records

1 = Print changes only

Use this processing option to indicate whether you want the reports to include all records or only the records that changed as a result of the batch enrollment. Valid values are:

0 Print all records.

1 Print changed records only

Printing a Confirmation Statement

From the Periodic Processing menu (G08BB2), choose Confirmation Statement.

After you enroll employees using batch enrollment, you can print a confirmation statement. The Confirmation Statement report (R083440) shows the benefit plans and benefit plan options in which an employee is enrolled. It also lists all applicable deductions, benefits, and

accruals. Employees use this statement to confirm that they have been correctly enrolled according to their choices.

Processing Options for Confirmation Statement (R083440)

Date Tab

This processing option specifies the date that the system uses when it tests enrollment and selects plans for the report. Use this processing option to enter the effective date for the selection of plans and for testing enrollment. The confirmation statement cannot be processed without a valid date.

1. Effective Date

A Specific Date

Use this processing option to enter the effective date for the selection of plans and for testing enrollment. The confirmation statement cannot be processed without a valid date.

Print Tab

These processing options specify whether to print certain information on the report.

1. Employee Address

0 = Name Only

1 = Name and Address

Use this processing option to specify whether to print the employee's address. If you leave this processing option blank, the system does not print the employee's address. Valid values are:

0 or Blank

Do not print the employee's address.

1

Print the employee's address.

2. Employee Annual Salary

0 = Do Not Print

1 = Print

Use this processing option to specify whether to print the employee's annual salary. If you leave this processing option blank, the system does not print the employee's annual salary. Valid values are:

0 or Blank

Do not print the employee's annual salary.

1

Print the employee's annual salary.

3. Employee Age

0 = Do Not Print

1 = Print

Use this processing option to specify whether to print the employee's age. If you leave this processing option blank, the system does not print the employee's age. Valid values are:

0 or Blank

Do not print the employee's age.

1

Print the employee's age.

4. Employee Life Ins. Annual Salary

0 = Do Not Print

1 = Print

Use this processing option to specify whether to print the employee's life insurance annual salary. If you leave this field blank, the system does not print the employee's life insurance annual salary. Valid values are:

0 or Blank

Do not print the employee's life insurance annual salary.

1

Print the employee's life insurance annual salary.

5. Benefit Group Description

0 = Do Not Print

1 = Print

Use this processing option to specify whether to print the benefit group description. If you leave this processing option blank, the system does not print the benefit group description. Valid values are:

0 or Blank

Do not print the benefit group description.

1

Print the benefit group description.

6. Benefit Group Category Description

0 = Do Not Print

1 = Print

Use this processing option to specify whether to print the benefit category description. If you leave this processing option blank, the system does not print the benefit group description. Valid values are:

0 or Blank

Do not print the benefit category description.

1

Print the benefit category description.

Working with Dependents and Beneficiaries

Some of the benefit plans that your organization offers can include coverage for employees' dependents. For example, the medical and dental plans might have options for spouse and family coverage. Other benefit plans, such as life insurance and retirement plans, require a beneficiary who is entitled to receive benefits from the plan in the event of the employee's death. Before you can enroll an employee's dependents in a benefit plan or enter a person as a beneficiary for a plan, you must create a record for those dependents and beneficiaries. These records include the following types of personal information about the dependents and beneficiaries:

- Birth date
- Disability information
- Student status
- Tax ID number

After you create a record for a dependent or beneficiary, you can link that record to the corresponding employee record. You can also enter supplemental data for dependents and beneficiaries. Supplemental data is any additional information that you want to store in the dependent and beneficiary database. For example, you can use supplemental data to track medical history by dependent.

You can review information about a dependent or beneficiary to verify that it is correct.

Before You Begin

- ❑ Enroll the employee in the benefit plans that allow eligible dependents and beneficiaries. See *Enrolling Employees* in the *Human Resources – Benefits Guide*.
- ❑ Set up the relationships that can exist in UDC 08/RL. See *Setting Up User Defined Codes for Benefits* in the *Human Resources – Benefits Guide*.

Creating Dependent and Beneficiary Records

You create dependent records so that employees' dependents can participate in benefit plans, such as medical insurance. You create beneficiary records so that an employee's relative or friend will receive benefits from a plan, such as life insurance, in the event of the employee's death. A person can be both a dependent and a beneficiary of an employee.

Note

If you are using the J.D. Edwards Benefits Administration feature to administer your company's COBRA and HIPAA programs, you must create dependent records for COBRA and HIPAA reporting to comply with government regulations.

After you create dependent and beneficiary records, you can link them to an eligible employee's record. Dependents are associated with specific benefit plans when their records are linked to the appropriate employee records.

► To create dependent and beneficiary records

*From the Daily Processing menu (G08BB1), choose **Dependent/Beneficiary Entry**.*

1. On Work With Dependents/Beneficiaries, click Add.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Dependent/Beneficiary Entry

OK Cancel Form Tools

General Information

Address Number Walters, Bob

Gender

Date of Birth Employee Identification

School Information

High School Graduate Employed

Full Time Student School Attending

Other Information

Disability Flag Date of Disability

Date of Medicare Date of Death

Send Initial Letter (Y/N) Date of Notification

Related Employee

Employee Identification Walters, Annette

2. On Dependent/Beneficiary Entry, complete the following field to assign a specific address number to the person:

- Address Number

If you leave this field blank, the system assigns the next available number.

3. Complete the following fields:

- Gender
- Date of Birth

4. If the dependent or beneficiary has the same address as the employee, click the Employee Identification option.

The Employee Identification field appears.

5. Complete the following field:

- Employee Identification

A colored box following the employee's name indicates the current payroll status of the employee. Green indicates an active employee who is not included in the current payroll cycle. Fuchsia indicates an active employee who is included in the current payroll cycle. Red indicates a terminated employee, and yellow indicates an employee who is on a leave of absence.

6. Complete the following optional fields:

- Disability Flag

- Date of Disability
 - Date of Medicare
 - Send Initial Letter (Y/N)
 - Date of Notification
7. If the person is a dependent, complete the following fields and click OK:
- High School Graduate
 - Employed
 - Full Time Student
 - School Attending

When you click OK, Dependent/Beneficiary Entry closes.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation

Personalize Change Role Sign Out

Address Book Revision

OK Cancel Form Tools

Address Number 5266

Address Book Mailing Additional Related Address Cat Code 1 - 10 Cat Code 11 - 20

Alpha Name Walters, Bob

Long Address Number

Tax ID 221498989

Search Type Q Participants

Business Unit 1 Financia#Distribution Company

8. On Address Book Revision, click the Address Book tab.
9. Complete the following fields:
- Alpha Name
 - Tax ID
10. Click the Mailing tab, and then complete the following field:

- Mailing Name

11. If you did not choose the employee's address for the dependent or beneficiary, complete the following fields:

- Address Line 1
- City
- State
- Postal Code
- Country
- County

12. Complete the following optional fields:

- Address Line 2
- Address Line 3
- Address Line 4

- Click OK.

Processing Options for Dependent/Beneficiary Entry (P08901)

Process Tab

These processing options specify whether to automatically delete related records in other tables when you delete a record from the Participant file table (F08901). Deleting related records allows you to eliminate records that you do not need for another purpose. Use this processing option to specify whether to automatically delete related Dependent/Beneficiary (Search Type Q) records from the Address Book table (F0101) when you delete a Dependent/Beneficiary record from the Participant table (F08901). Valid values are:

0 Do not delete the related records.

1 Delete the related records. Use this processing option to specify whether to automatically delete related Dependent/Beneficiary records from the Dependent/Beneficiary Cross-Reference table (F08336) when you delete a Dependent/Beneficiary record from the Participant table (F08901). The cross-reference table associates a dependent or beneficiary with an employee. The table also identifies the employee's benefit plans that cover the dependent or designate beneficiaries. Valid values are:

0 Do not delete the related records.

1 Delete the related records. Use this processing option to specify whether the system creates a generic F08336 record when a new F08901 record is entered.

Use this processing option to specify whether to automatically delete related Dependent/Beneficiary (Search Type Q) records from the Address Book table (F0101) when

you delete a Dependent/Beneficiary record from the Participant table (F08901). Valid values are:

0 Do not delete the related records.

1 Delete the related records. Use this processing option to specify whether to automatically delete related Dependent/Beneficiary records from the Dependent/Beneficiary Cross-Reference table (F08336) when you delete a Dependent/Beneficiary record from the Participant table (F08901). The cross-reference table associates a dependent or beneficiary with an employee. The table also identifies the employee's benefit plans that cover the dependent or designate beneficiaries. Valid values are:

0 Do not delete the related records.

1 Delete the related records. Use this processing option to specify whether the system creates a generic F08336 record when a new F08901 record is entered.

Use this processing option to specify whether to automatically delete related Dependent/Beneficiary (Search Type Q) records from the Address Book table (F0101) when you delete a Dependent/Beneficiary record from the Participant table (F08901). Valid values are:

0 Do not delete the related records.

1 Delete the related records. Use this processing option to specify whether to automatically delete related Dependent/Beneficiary records from the Dependent/Beneficiary Cross-Reference table (F08336) when you delete a Dependent/Beneficiary record from the Participant table (F08901). The cross-reference table associates a dependent or beneficiary with an employee. The table also identifies the employee's benefit plans that cover the dependent or designate beneficiaries. Valid values are:

0 Do not delete the related records.

1 Delete the related records. Use this processing option to specify whether the system creates a generic F08336 record when a new F08901 record is entered.

1. Delete related records from the Address Book table (F0101)

0 = Do not delete the related record

1 = Delete the related record

Use this processing option to specify whether to automatically delete related Dependent/Beneficiary (Search Type Q) records from the Address Book table (F0101) when you delete a Dependent/Beneficiary record from the Participant table (F08901). Valid values are:

0 Do not delete the related records.

1 Delete the related records.

2. Delete related records from the Dendent/Beneficiary Cross-Reference table (F08336)

0 = Do not delete the related records

1 = Delete the related records

Use this processing option to specify whether to automatically delete related Dependent/Beneficiary records from the Dependent/Beneficiary Cross-Reference table (F08336) when you delete a Dependent/Beneficiary record from the Participant table (F08901). The cross-reference table associates a dependent or beneficiary with an employee. The table also identifies the employee's benefit plans that cover the dependent or designate beneficiaries. Valid values are:

0 Do not delete the related records.

1 Delete the related records.

3. Do you want a generic F08336 record to be created when a dependent/beneficiary record is added?

0 = Do not add generic record

1 = Add generic record

Use this processing option to specify whether the system creates a generic F08336 record when a new F08901 record is entered.

Edit Tab

These processing options specify whether certain fields are required or optional. Depending on the requirements of your organization, you might not need to gather certain types of information.

1. Gender and Date of Birth fields

0 = Make these fields required

1 = Make these fields optional

Use this processing option to specify whether the Gender and Date of Birth fields are required or optional when entering a record for a dependent or beneficiary. Valid values are:

0

Make these fields required.

1

Make these fields optional.

2. School Attending field

0 = Make this field required

1 = Make this field optional.

Use this processing option to specify whether the School Attending field is required or optional when entering a record for a dependent or beneficiary who is a full-time student. Valid values are:

0 Make this field optional.

1 Make this field required.

Enrolling Dependents and Beneficiaries in Benefit Plans

After you create records for dependents and beneficiaries, you can enroll the dependents and beneficiaries in benefit plans. You can enroll a dependent or beneficiary in only those plans in which the employee is already enrolled.

Enrolling dependents and beneficiaries in benefit plans is for documentation purposes only. It does not generate instructions to make payroll deductions for benefits or beneficiary payments.

Before You Begin

- ❑ Enroll the employee in benefit plans. See *Enrolling Employees* in the *Human Resources – Benefits Guide*.
- ❑ Set up UDC 08/RL to identify the relationships that dependents and beneficiaries can have with employees. See *Understanding User Defined Codes for Workforce Management Systems* in the *Human Resources – Benefits Guide*.
- ❑ Set up UDC 08/DB to identify beneficiary designations, such as primary and contingent beneficiaries.
- ❑ Set up dependent and beneficiary records. See *Creating Dependent and Beneficiary Records* in the *Human Resources – Benefits Guide*.
- ❑ Set up common settings to specify whether dependents or beneficiaries related to an employee must be associated with a plan. See *Setting Up Common Settings for Workforce Management* in the *Workforce Management Foundation Guide*.

► To enroll dependents and beneficiaries in benefit plans

From the *Daily Processing* menu (G08BB1), choose *Dependent/Beneficiary by Employee*.

1. On Work with Employees, complete any of the following fields and click Find:
 - Employee Identification
2. In the detail area, choose the employee record to which you want to link dependents or beneficiaries, and then click Select.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Dependents/Beneficiaries By EE

Employee Identification: 8444 O'Malley, James

Plan ID: *

Effective Date: *

	Dep./Ben. Address	Dependent/Beneficiary Name	Tax ID Number	R L	Description	Plan ID
<input checked="" type="checkbox"/>	5396	O'Malley, Rebecca	481926231	S	Spouse	
<input type="checkbox"/>	5514	O'Malley, Stephanie	658453612	C	Child	
<input type="checkbox"/>	5608	O'Malley, James R.	523453611	C	Child	
<input type="checkbox"/>	5688	O'Malley, Kara	523664522	C	Child	
<input type="checkbox"/>	5691	O'Malley, Adam	541221134	C	Child	

3. On Dependents/Beneficiaries By EE, complete the following fields in the detail area:
 - Dep./Ben. Address
 - R L
 - Plan ID
4. If you want to add a new dependent or beneficiary at this time, highlight a blank row in the grid and choose Dep/Ben Entry from the Row menu.
5. If the plan has options, complete the following field:
 - Add Opt
6. Complete the following optional fields:
 - Effective Date
 - Ending Date

The system displays a D in the DB field if the plan requires dependents, or a B if the plan requires beneficiaries. The system also displays the dependent's or beneficiary's birth date and tax ID number.

7. For a plan in which the person is a beneficiary, complete the following field:

- DB Ty
- Ben %

The total of the beneficiary percentages for each beneficiary type for a specific plan must equal 100%. For example, if an employee elects two primary beneficiaries for a life insurance plan and assigns one of these beneficiaries a beneficiary percentage of 50%, then the other primary beneficiary must also have a beneficiary percentage of 50%, for a total of 100%. The total of contingent beneficiaries for the same plan must also equal 100%.

8. Repeat steps 3 through 6 for each plan for which you want the person to be a dependent or beneficiary.

You might need to enter more than one record for a particular person. For example, you must enter three records for a person who is a dependent for the medical plan and the dental plan and is a beneficiary for the life insurance plan.

9. Click OK.

After you link a dependent or beneficiary record to an employee record, a field at the bottom of the Dependent/Beneficiary Entry form displays the employee's name and employee number. Also, the employee's mailing address can be updated to the dependent's or beneficiary's mailing address. If you turned on the Employee Identification option on Dependent/Beneficiary Entry form (W08901D), the linked employee's address updates the Dependents/Beneficiaries by EE Entry form (W08336B) if the addresses are different.

Entering Supplemental Data for Dependents and Beneficiaries

From the Dependent Beneficiary Supplemental Data menu (G08BSDD2), choose Dep/Ben Supplemental Data Entry.

Supplemental data is any type of additional information that you want to track about any of the following items or individuals:

- Requisitions
- Applicants
- Employees
- Jobs
- Dependents
- Beneficiaries
- Health Safety administration

When you set up your Human Resources system, you identify the types of supplemental data (data types) that you want to track. Supplemental data is not required by the system.

You might include the following types of supplemental data for dependents and beneficiaries:

- Health information
- Emergency contacts

The method that you use to enter supplemental data is the same for any type of supplemental information that you track.

See Also

- ❑ *Working with the Supplemental Database* in the *Workforce Management Foundation Guide* for information about entering supplemental data
- ❑ *Reviewing Employee Enrollment* in the *Human Resources – Benefits Guide* for information about Dependent and Beneficiary reports

Working with Fund Allocations

Many companies offer employees a variety of investment options for retirement or investment plans, such as 401(k) plans. To set up a retirement or investment plan that includes several investment options, you set up each option as a separate accrual.

When you enroll an employee in a retirement or investment plan, you identify the percentage or amount of the contribution from the employee's wages and any percent or amount that the employer contributes. After you enroll an employee in the retirement or investment plan, you create fund allocations to define how the system distributes that total contribution among the available investment options.

To define the way in which an employee wants to distribute funds among investment options, you must add a new allocation. You also specify the percentage of the total contribution that the employee wants to contribute to each investment program.

You change a fund allocation whenever an employee wants to change his or her allocation among the investment programs that your company offers. The employee can allocate funds among all available investment programs, but the total must equal 100%.

An employee might request that you revise fund allocation percentages or start dates. You can revise this information for the upcoming pay period only if the system has not yet made a deduction from the employee's pay. When any pre-payroll processing has occurred, you cannot revise the fund allocation, but must make a new allocation.

Before You Begin

- ❑ Link the accrual codes for each investment program to the deduction, benefit, or accrual (DBA) codes for the retirement or investment plan. See *Linking Allocation Funds to Plans* in the *Human Resources – Benefits Guide*.
- ❑ Enroll the employee in the retirement or investment plan. See *Enrolling Employees* in the *Human Resources – Benefits Guide*.

► To revise fund allocation percentages

From the Daily Processing menu (G08BB1), choose Allocations by Employee.

1. On Work With Allocations By Employee, to locate the employee's allocations, complete the following fields:
 - Employee Identification
 - Plan ID
2. Click one of the following options and then click Find:
 - Current Enrollment

- Prior Enrollment
 - All
3. Choose the record that contains the allocations that you want to change, and then choose Allocations by EE from the Row menu.
 4. Type the correct percentage in the following field and click OK:
 - New Percent %

► **To revise fund allocation start dates**

From the Daily Processing menu (G08BB1), choose Allocations by Employee.

1. On Work With Allocations By Employee, to locate the employee's allocations, complete the following fields:
 - Employee Identification
 - Plan ID
2. Click one of the following options and then click Find:
 - Current Enrollment
 - Prior Enrollment
 - All
3. Choose the record that contains the allocation with the incorrect start date and click Delete.
4. On Delete Confirmation, click Yes.
5. Choose the record that contains the latest allocation for the enrollment, and then choose Allocations by EE from the Row menu.
6. Type the correct percentage in the following field and click OK:
 - New Percent %

Working with Enrollment Information

After you enroll employees in benefit plans, you need to ensure that enrollment information is accurate and current. For example, when any of the following events occur, you might need to change enrollment as described:

- An employee leaves your organization. You must end the employee's enrollment in benefit plans.
- An employee marries. The employee might need to change from the Employee Only medical plan to the Employee Plus Spouse plan.

- An employee is enrolled in the wrong plan. You must correct the mistaken enrollment.
- An employee chooses to increase the amount of life insurance coverage. You might need to change the amount or rate of a payroll deduction.

Many companies provide an open enrollment period once a year to allow employees to change their benefit elections. Employees can change the type of coverage that they have elected as well as add or remove a benefit plan as part of their coverage.

Working with Enrollment with Eligibility

When you need to change an employee's enrollment information for plans that have eligibility requirements, use the Enrollment with Eligibility program (P08334) to make the change.

When your organization discontinues a plan or an employee wants to stop participating in a plan, you must end the employee's enrollment in the plan. During an open enrollment period, you might need to end an employee's enrollment in one plan and then enroll the employee in another plan.

You also must end enrollment when you terminate an employee. When you end enrollment for a terminated employee, the system does not re-enroll the employee in required plans.

For plans that require an amount or rate, you occasionally might need to change that amount or rate. For example, an employee might want to change the percentage of salary to contribute to a retirement plan.

When you discover that an employee is enrolled in an incorrect plan or plan option, you must correct the mistaken enrollment. If you have not yet processed payroll for the employee, the system deletes the mistaken enrollment record. If you have already processed payroll for the employee, the system creates an audit record of the mistaken enrollment.

For a plan that has continuing eligibility requirements, you can verify an employee's eligibility in the plan. When an employee fails the continuing eligibility test, the system automatically ends the employee's enrollment in the plan and assigns the employee an ineligible status.

Certain events in an employee's life might require that the employee change enrollment in one or more plans. Marriage or the birth of a child are examples of life events. You can set the processing options for the Enrollment with Eligibility program to allow these changes.

► To end enrollment using eligibility

From the Daily Processing menu (G08BB1), choose Enrollment with Eligibility.

1. On Work With Enrollment With Eligibility, to locate the employee's plans, complete the following field:
 - Employee Identification
2. To limit the records that appear, click the following option:
 - Display Elected Plans and Plan Options
3. In the following field, type a date one day later than the date on which you want to end the enrollment:
 - Effective Date

4. Click Find.
5. To end enrollment in a plan on the date that you defined in the enrollment parameters, choose the plan and then choose Stop - Auto Dt/Sts from the Row menu.

If no enrollment parameters exist, the system ends the enrollment one day prior to the effective date.
6. To end enrollment in a plan on any date other than the date that you defined in the enrollment parameters, choose the plan and then choose Stop - OvrD Dt/Sts from the Row menu.

The screenshot shows the PeopleSoft interface for 'Enrollment with Eligibility - Stop - Override Date and Status'. The form contains the following fields:

Employee No.	7500	McDougle, Cathy
Plan ID	DENTAL	Dental Insurance
Plan Option	ONE	
Enrollment Begin Date	01/01/05	Enrollment End Date
Enrollment Begin Status	ACT Active	Enrollment End Status
DBA Begin Date	01/01/05	DBA End Date

7. On Stop - Override Date and Status, complete the following fields and click OK:
 - Enrollment End Date
 - Enrollment End Status

On Enrollment with Eligibility, the system displays a circle with a line through it in the row header of the record for which you ended enrollment.

8. To cancel the change, double-click the row header for the plan.
9. To complete the change, click Submit.

After you submit the change, the circle with a line through it disappears.

When you end an employee's enrollment in a benefit plan for which employee payroll history exists, the system updates the employee's DBA instructions with an ending date for the associated DBA. Depending on how the enrollment ending date corresponds to the payroll cycle, the ending date for the DBA might differ from the

enrollment ending date. Typically, the ending date for the DBA is the date on which the DBA was last recorded in the employee's payroll history; that is, the last time that a deduction was made from the employee's payroll. However, if the enrollment ending date is greater than the DBA history date, the date that the system assigns for the DBA ending date is the enrollment ending date. When you end an employee's enrollment in one plan at the same time that you enroll the employee in another plan, the effective date of the DBA associated with the new plan is equal to the effective enrollment date for the new plan.

► **To change an amount or rate using eligibility**

From the Daily Processing menu (G08BB1), choose Enrollment with Eligibility.

1. On Work With Enrollment With Eligibility, to locate the employee's plans, complete the following fields:
 - Employee Identification
 - Effective Date
2. To limit the records that appear, click the following option:
 - Display Elected Plans and Plan Options
3. Click Find.
4. Choose the plan for which you need to change the amount or rate, and then choose Change Amt or Rate from the Row menu.

You can change the amount or rate only for plans that have a beginning status that starts with the letter A and that allow an amount or rate change.

5. On Change Amount or Rate, type the amount or rate that the employee pays in the unlabeled field to the right of the Employee Payroll Ded DBA field.
6. If applicable, complete the unlabeled field to the right of the Employer Paid Benefit DBA field.

If your company has set up the system to calculate the employer-paid DBA based on information in the employee-paid DBA, leave the unlabeled field to the right of the Employer Paid Benefit DBA field blank. For this type of setup, the system calculates the amount or rate based on the value in the employee-paid field. If your company has not set up the system to calculate the employer-paid DBA based on information in the employee-paid DBA, type the amount or rate in the unlabeled field to the right of the Employer Paid Benefit DBA field.

7. Click OK to close the Change Amount or Rate form and continue with the change.
8. On Work With Enrollment With Eligibility, verify the following information:
 - A value of D appears in the row header for the record with the change
 - A triangle appears in the row header for the record with the change
 - The ending date is one day prior to the effective date for the record with the change
 - The system created a new record with the new rate
9. To complete the change, click Submit.

After you submit the change, the D and the triangle disappear.

► **To correct mistaken enrollment using eligibility**

From the Daily Processing menu (G08BB1), choose Enrollment with Eligibility.

1. On Work With Enrollment With Eligibility, to locate the employee's plans, complete the following fields:
 - Employee Identification
 - Effective Date
2. To limit the records that appear, click the following option:
 - Display Elected Plans and Plan Options

3. Click Find.

4. Choose the row containing the mistaken enrollment, and then choose Mistaken Enrollment from the Row menu.

On Work With Enrollment With Eligibility, the system displays either a trashcan icon (no payroll history is associated with the record) or an X (payroll history is associated with the record) in the row header of the record that was a mistaken enrollment.

5. To accept the correction, click Submit.

► **To verify continuing eligibility in plans**

From the Daily Processing menu (G08BB1), choose Enrollment with Eligibility.

1. On Work With Enrollment With Eligibility, to locate the employee's plans, complete the following fields:
 - Employee Identification
 - Effective Date
2. To limit the records that appear, click the following option:
 - Display Elected Plans and Plan Options

3. Click Find.

4. From the Form menu, choose Retest Eligibility.

For any plan for which the employee is no longer eligible, a disabled record appears below the employee's current plans. Any plan for which eligibility information changed appears in blue letters.

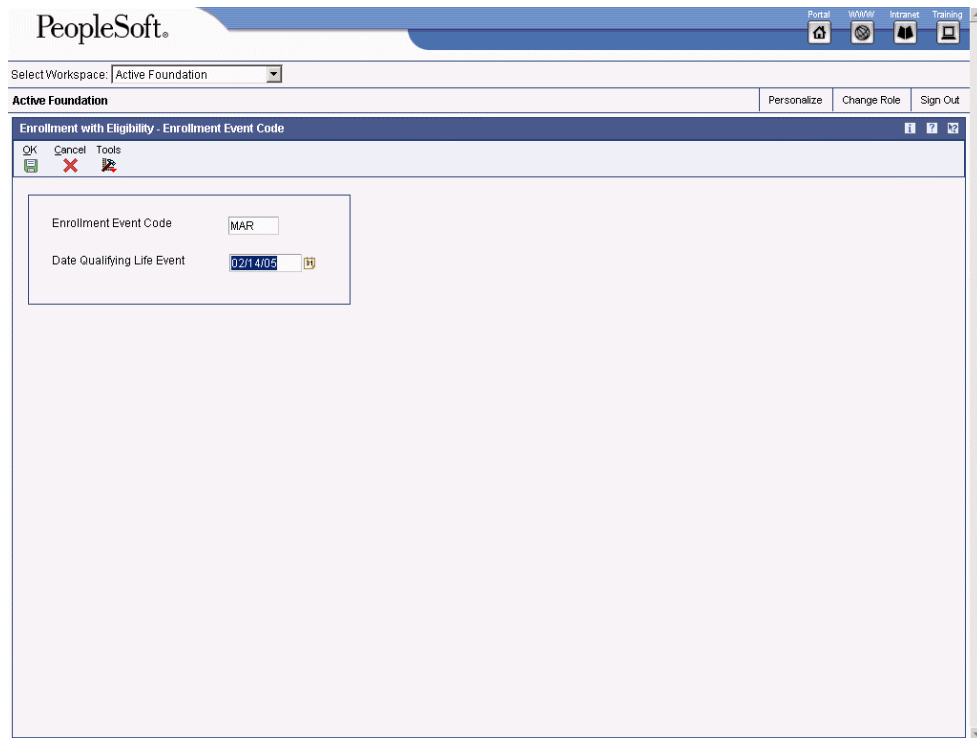
► **To change enrollment due to a life event**

To change enrollment due to a life event, you must enter 1 in the Call Enrollment Event Form processing option on the Defaults tab.

From the Daily Processing menu (G08BB1), choose Enrollment with Eligibility.

1. On Work With Enrollment With Eligibility, to locate the employee's plans, complete the following fields and click Find:
 - Employee Identification

- Effective Date
2. In the detail area, choose each record that contains a benefit plan or plan option for which you need to change enrollment options, and then choose Elect from the Row menu.
 3. Click Submit.



4. On Enrollment Event Code, complete the following fields and click OK:
 - Enrollment Event Code
 - Date Qualifying Life Event

Working with Enrollment Overrides

You use the Enrollment Overrides program (P08330) to make changes to a plan in which you waived the eligibility requirements for an employee.

The Enrollment Overrides program requires more manual entry than the Enrollment with Eligibility program (P08334). Therefore, you should use the Enrollment Overrides program primarily for exception cases.

You typically need to use overrides to end an employee's enrollment in a plan when an employee's enrollment extends beyond the normal end date. This situation might occur as part of a severance agreement.

When you end enrollment by using overrides, you must enter the actual date on which you want to stop the plan for the employee.

For plans that require an amount or rate, you occasionally might need to change that amount or rate. For example, an employee might want to change the amount contributed to the 401(k) plan.

When you discover that an employee has been enrolled in the wrong plan or in the correct plan with the wrong option, you must correct the enrollment. After you correct the mistaken enrollment, enroll the employee in the correct plan. If you have not yet processed payroll for the employee, the system deletes the mistaken enrollment. If you have processed payroll for the employee, the system creates an audit record of the mistaken enrollment.

► To end enrollment using overrides

From the Daily Processing menu (G08BB1), choose Enrollment Overrides.

1. On Enrollment Overrides, to locate the employee's plans, complete the following field and click Find:
 - Employee Identification
2. To end enrollment in a single plan, complete the following fields for that plan and click OK:
 - End Status
 - Ending Date
3. To end enrollment in all plans, choose End Enrollment from the Form menu.

The screenshot shows the PeopleSoft web interface for the 'Enrollment Overrides - Stop - Override Date and Status (Form)'. The page header includes the PeopleSoft logo and navigation links for Portal, WWW, Intranet, and Training. Below the header, there is a 'Select Workspace' dropdown menu set to 'Active Foundation'. The main content area is titled 'Active Foundation' and includes 'Personalize', 'Change Role', and 'Sign Out' links. The form itself has a title bar 'Enrollment Overrides - Stop - Override Date and Status (Form)' and a toolbar with 'OK', 'Cancel', and 'Tools' buttons. The form fields are as follows:

Employee No.	7500	McDougle, Cathy
Enrollment End Date	12/30/05	
Enrollment End Status	TRT	

4. On Stop - Override Date and Status, complete the following fields and click OK:
 - Enrollment End Date
 - Enrollment End Status

When you end an employee's enrollment in a benefit plan for which employee payroll history exists, the system updates the employee's DBA instructions with an ending date for the associated DBA. Depending on how the enrollment ending date corresponds to the payroll cycle, the ending date for the DBA might differ from the enrollment ending date. When the enrollment ending date is greater than the DBA history date, the date that the system assigns for the DBA ending date is one day prior to the enrollment ending date. When the enrollment end date precedes the date on which the DBA was last recorded in the employee's payroll history, the DBA ending date is the payroll period end date that was last recorded in the DBA record.

Typically, when you end an employee's enrollment in one plan at the same time that you enroll the employee in another plan, the effective date of the DBA that is associated with the new plan is the same as the effective enrollment date for the new plan if the enrollment date is after the DBA history date. Otherwise, the new DBA begin date will be one day after the DBA payroll history date, which is different from the enrollment date. This situation generally occurs when you correct a mistaken enrollment after payroll has been processed.

► **To change an amount or rate using overrides**

From the Daily Processing menu (G08BB1), choose Enrollment Overrides.

1. On Enrollment Overrides, to locate the employee's plans, complete the following field and click Find:
 - Employee Identification
2. Choose the plan for which you need to change the amount or rate and then choose Amount/Rate from the Row menu.
3. On Change Amount or Rate, type the amount or rate that the employee pays in the unlabeled field to the right of the Employee Payroll Ded DBA field.
4. If applicable, complete the unlabeled field to the right of the Employer Paid Benefit DBA field.

If your company has set up the system to calculate the employer-paid DBA based on information from the employee-paid DBA, leave this unlabeled field blank. For this type of setup, the system calculates the amount or rate based on the value in the employee-paid field. If your company has not set up the system to calculate the employer-paid DBA based on information in the employee-paid DBA, type the amount or rate in the unlabeled field to the right of the Employer Paid Benefit DBA field.

5. Click OK.

► **To correct a mistaken enrollment using overrides**

From the Daily Processing menu (G08BB1), choose Enrollment Overrides.

1. On Enrollment Overrides, to locate the employee's plans, complete the following field and click Find:

- Employee Identification
2. Complete the following fields for the incorrect plan and click OK:
 - End Status

To enter a begin date for the correct plan that is the same as the begin date for the incorrect plan, you must enter an end status that begins with the letter X. The X end status allows you to enroll the employee in the new plan for the correct enrollment period and still track the incorrect plan for historical purposes.
 - Ending Date
 3. To enroll the employee in the correct plan, complete the steps for enrolling employees.

You must manually refund any incorrect deduction when you correct mistaken enrollment. When you correct the information in the Human Resources system, the system does not automatically generate a refund payment.

See Also

- *Enrolling Employees Using Overrides in the Human Resources – Benefits Guide*

Reviewing Employee Enrollment

Employees often have questions about their enrollment in particular benefits. In addition, organizations frequently need information about total enrollment for specific plans. The system provides easy access to the information that you need in order to answer these types of questions.

You can review the details of the benefit plans in which an employee is enrolled. You can also review information about each plan and the employees enrolled in that plan. Additionally, you can run reports that list the following:

- Employees who are not enrolled in benefit plans that are defined as mandatory for either the employee's benefit group or for the plan
- Employees who are enrolled in benefit plans that are not available to members of their benefit group
- Employees who are not enrolled in a plan for categories that require participation
- Dependents who are ineligible for benefits because of age or educational status

Reviewing Benefits by Employee

You can review benefit information to answer employees' questions about the plans in which they are enrolled.

► **To review benefits by employee**

From the Daily Processing menu (G08BB1), choose Benefits by Employee.

1. On Work With Benefits by Employee, complete the following fields and click Find:
 - Employee Identification

- Year
2. Review the information in the detail area.

Reviewing Employees by Benefit Plan

Frequently, you want to review all of the information for all of the employees who are enrolled in a specific benefit plan. You can review information by benefit plan and locate all of the historical and detail information for each employee.

► To review employees by benefit plan

From the Daily Processing menu (G08BB1), choose Employees by Benefit Plan.

1. On Work With Employees by Benefit Plan, complete the following fields and click Find:
 - Plan ID
 - Year
2. Review the information in the detail area.

Reviewing the Employee List by Benefit Group Report (R083492)

From the Periodic Processing menu (G08BB2), choose Employee List By Benefit Group.

This report lists all of the benefit groups and the employees who are enrolled in those benefit groups. This report includes information about each employee's job type, job step, pay frequency, pay class, and employment status.

Reviewing the Benefit Enrollment by Plan Report (R083493)

From the Periodic Processing menu (G08BB2), choose Benefit Enrollment by Plan.

Use this report to review each plan and the employees enrolled in each plan. This report includes previously enrolled employees, the ending status, and the ending date.

Reviewing the Benefit Enrollment Outside Group Report (R083470)

From the Periodic Processing menu (G08BB2), choose Benefit Enrollment Outside Group.

This report lists all employees who are enrolled in benefit plans that are not available to members of their benefit group. After you identify employees who are enrolled in the wrong benefit group, you can enroll them in the correct benefit plans.

Processing Options for Benefit Enrollment Outside Group (R083470)

Edits Tab

These processing options specify the effective "as of" date and whether to evaluate all enrollments or only active enrollments.

1. Effective "As Of" date:

Use this processing option to specify the effective "As Of " date for determining enrollment statistics. A default of blank will use today's date.

2. Evaluate active enrollments:

1 - Evaluate only active enrollments

0 - Evaluate all enrollments

Use this processing option to specify whether all enrollments or only active enrollments should be evaluated. Valid values are:

0 Evaluate all enrollments based on the "As Of" date specified in a previous processing option.

1 Evaluate only active enrollments.

Reviewing the Mandatory Participation Exception Report (R083450)

From the Periodic Processing menu (G08BB2), choose Mandatory Participation Exception Report.

Companies often have one or more benefit plans that are mandatory for some or all employees. The Mandatory Participation Exception report lists all employees who, because of their group status or the requirements of the plan, are not enrolled in the mandatory benefit plans but should be. You can use the report to identify the employees who are not enrolled in the mandatory plans, and then you can enroll them.

Processing Options for Mandatory Participation Exception Report (R083450)

Options

1. Enter the "As Of" date to be used for the exception report. All active employees on the selected date will be tested. Default of blank will use today's date.

Reviewing the Required Elections in Benefits Report (R083480)

From the Periodic Processing menu (G08BB2), choose Required Elections in Benefits.

This report lists all employees who are not enrolled in any benefit plan within a category that requires plan participation. Also, if you specify a particular plan in the processing option, you can identify the employees who are missing enrollment in that plan.

Processing Options for Required Elections in Benefits (R083480)

Options

1. Enter the effective or "As Of" date for determining enrollment status. A default of blank will use today's date.

2. Enter a single plan to verify enrollment. Employees who are not enrolled in this plan will display if the plan is available for their benefit group. A default of blank will evaluate all enrollments using the "As Of" date above.

Printing a Benefit Enrollment Form (R083430)

From the Periodic Processing menu (G08BB2), choose Benefit Enrollment Form.

This report creates a personal enrollment form for an individual employee. The form shows all effective plans and plan options for the employee and shows rates for all of the plans and plan options.

Processing Options for Benefit Enrollment Form (R083430)

Defaults Tab

These processing options specify the default dates that the system uses for selecting plans, determining employee eligibility, and calculating the employee's age. They also specify whether the system uses the employee's identification number or the employee's tax ID number as the default value for the employee tax number.

1. Effective Date

A specific date

Blank = system date

Use this processing option to specify the effective date for the selection of plans and the determination of employee eligibility. To use the system date as the effective date, leave this processing option blank.

2. Age As Of Date

A specific date

Blank will not show age

Use this processing option to specify any date of a given year. The system uses this value and the employee's date of birth to calculate the employee's age. Running this process allows the system to update the Employee Age field on the Personal form (W0801EMPD). To use the system date leave this processing option blank.

3. Employee Tax Id Number

0 = Print Employee Id Number

1 = Show Tax Id Number

Use this processing option to specify whether to print the employee's tax ID number or the employee's identification number.

0 Print the employee's identification number.

1 Print the employee's tax ID number.

Print Tab

These processing options specify whether to print certain information on the report.

1. Employee Address

0 = Do not print

1 = Print

Use this processing option to choose whether to print the employee's address.

Valid values are:

0 Do not print.

1 Print.

2. Benefit Group Additional Description

0 = Do not print

1 = Print

Use this processing option to specify whether to print an additional description for the benefit group. Valid values are:

0 Do not print.

1 Print.

3. Plan Category Additional Description

0 = Do not print

1 = Print

Use this processing option to specify whether to print the description for the plan category. Valid values are:

0 Do not print.

1 Print.

4. Plan Remarks

0 = Do not print

1 = Print

Use this processing option to specify whether to print plan remarks. Valid values are:

0 Do not print.

1 Print.

5. Test Eligibility

0 = Do not test

1 = Test

Use this processing option to specify which benefit plans to print. Valid values are:

0 Print all plans in the employee's benefit group.

1 Print only plans for which the employee is eligible.

Reviewing the Dep/Ben by Plan ID and Employee Report (R083490)

From the Periodic Processing menu (G08BB2), choose Dep/Ben by Plan ID and Employee.

This report lists the employees who have dependents or beneficiaries enrolled in each benefit plan. It includes information about each dependent, such as the relationship to the employee and the dependent or beneficiary type.

Reviewing the Dep/Ben Exception Report (R083460)

From the Periodic Processing menu (G08BB2), choose Dep/Ben Exception Report.

Some benefit plans require that employees specify dependents or beneficiaries. Run the Dep/Ben Exception report to identify employees who are actively enrolled in benefit plans but who have not provided the required information about dependents or beneficiaries. You should notify these employees so that they can provide this information.

Plans that are not active on the "as of" date and employees who are not enrolled on the "as of" date are not included in the report.

Processing Options for Dep/Ben Exception Report (R083460)

Options

1. Enter the "As Of" date to be used for the exception report. All employees enrolled in the selected plans on this date will be tested. Default of blank will use today's date.

2. Enter a '1' to print active enrollment records only. Default of blank will print all enrollment records.

Reviewing the Dep/Ben Missing Tax ID, Gender, or DOB Report (R083491)

From the Periodic Processing menu (G08BB2), choose Dep/Ben Missing Tax ID, Gender or DOB.

Use this report to locate dependent or beneficiary records that do not contain a tax ID, gender, or date of birth. You should notify the appropriate employees so that they can provide this information.

Reviewing Dependent Status Reports (R083496)

Use one of the following navigations:

From the Periodic Processing menu (G08BB2), choose Non-Qualifying Dependents.

From the Periodic Processing menu (G08BB2), choose All Dependents Over Maximum Age.

From the Periodic Processing menu (G08BB2), choose Check Student Institutions.

Use any of the three dependent status reports to determine whether dependents are eligible for benefits according to their age and student status:

Non-Qualifying Dependents	This report lists all dependents who are over the maximum age for all dependents and are not enrolled as full-time students. This report also lists all dependents who are over the maximum age for full-time students, regardless of student status.
All Dependents Over Maximum Age	This report lists all dependents who are over the maximum age for all dependents. Dependents who are full-time students are listed with the names of the schools in which they are enrolled.
Check Student Institutions	This report lists the schools in which all dependents between the maximum age for all dependents and the maximum age for full-time students are enrolled. You can use this list to verify that the schools are accredited institutions.

Processing Options for Non-Qualifying Dependents (R083496)

General

Calculate the dependent's age as of the specified date range:

1. Beginning Date

A default of blank will use today's date:

2. Ending Date

A default of blank will use one day after the Beginning Date

Max. Age Range

1. Enter the maximum age for which all dependents are eligible.

A default of blank will use an age of 17.

2. Enter the maximum age for which full time students are eligible as dependents.

A default of blank will use an age of 22.

Reviewing the Dependent/Beneficiary Supplemental Data Report (R080415)

From the Dependent Beneficiary Supplemental Data menu (G08BSDD2), choose Dep/Ben Supplemental Data Report.

To review complete supplemental information for one or more dependents or beneficiaries, run the Dependent/Beneficiary Supplemental Data report. This report compiles all of the supplemental data for a dependent or beneficiary into an easy-to-read format.

Processing Options for Dep/Ben Supplemental Data Report (R080415)

Processing

1. Enter a '1' to bypass printing the Tax ID on the report. A default of blank will print the Tax ID.

2. Enter a '1' to bypass printing text information on the report. A default of blank will print the text.

Reviewing the Dep/Ben Data by Data Type Report (R080405)

From the Dependent Beneficiary Supplemental Data menu (G08BSDD2), choose Dep/Ben Data by Data Type.

To review a list of all dependents and beneficiaries who have information entered in a particular supplemental data type, you can print the Dep/Ben Data by Data Type report.

Working with Employee Benefit Statements

Employers in the United States typically pay a significant portion of an employee's total compensation for benefit and tax payments. These payments made by the employer are nearly invisible to the employee. You can create a benefit statement that shows employees the funds spent on their behalf. The benefit statement can include specific information about an employee's compensation and benefits such as:

- Base salary or regular earnings
- Specific additional earnings, such as bonuses
- Employee and employer contributions to specific insurance benefits
- Paid time off, such as holiday or vacation time
- Taxes such as FICA, unemployment, and workers' compensation

When you create a benefit statement, you create benefit statement headings that correspond to the categories of information that you want to display on the benefit statement. For example, you might have benefit statement headings such as medical insurance, vacation pay, taxes, and so on. For each benefit statement heading, you select the PDBAs or tax types that will provide the amount spent on each type of compensation.

After you have gathered information for the benefit statement using benefit statement headings, you can merge a benefit statement form with a list of employees who should receive a benefit statement. You use the MailMerge feature of Microsoft Word to combine the benefit statement form and list of employees to create a customized benefit statement for each employee.

Setting Up a Benefit Statement

When you set up a benefit statement, you assign a code and description that identifies the benefit statement. You might set up different benefit statements for different groups of employees, depending on the kind of compensation and benefits that each group receives.

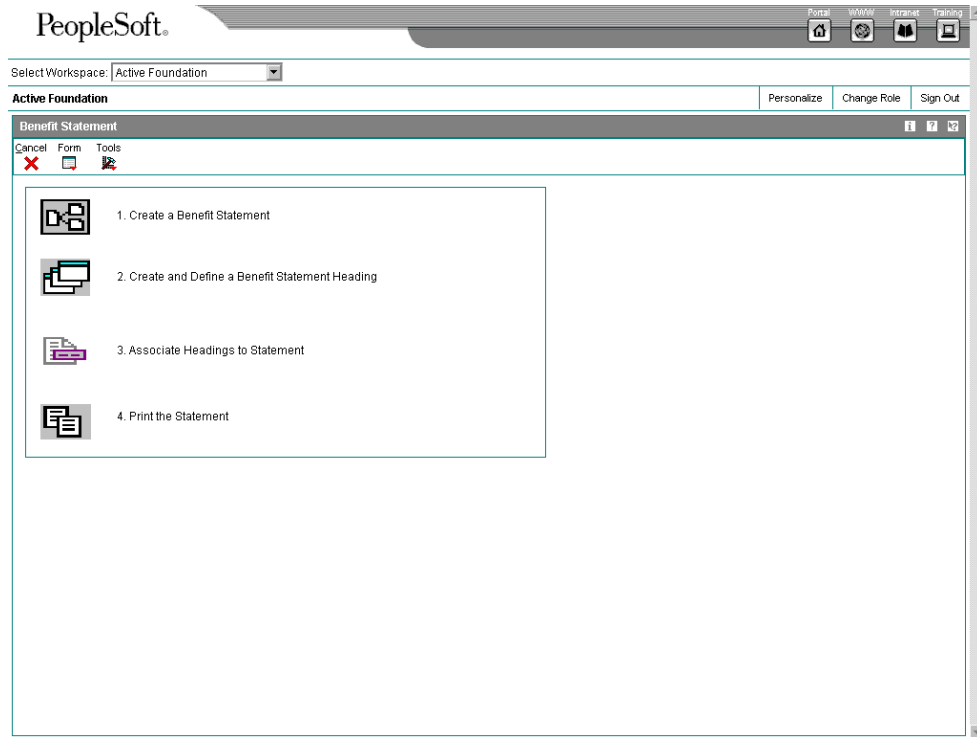
You also need to specify the MailMerge document that you will use to create the benefit statement. The MailMerge document is a Microsoft Word document that contains the structure of the benefit statement.

Before You Begin

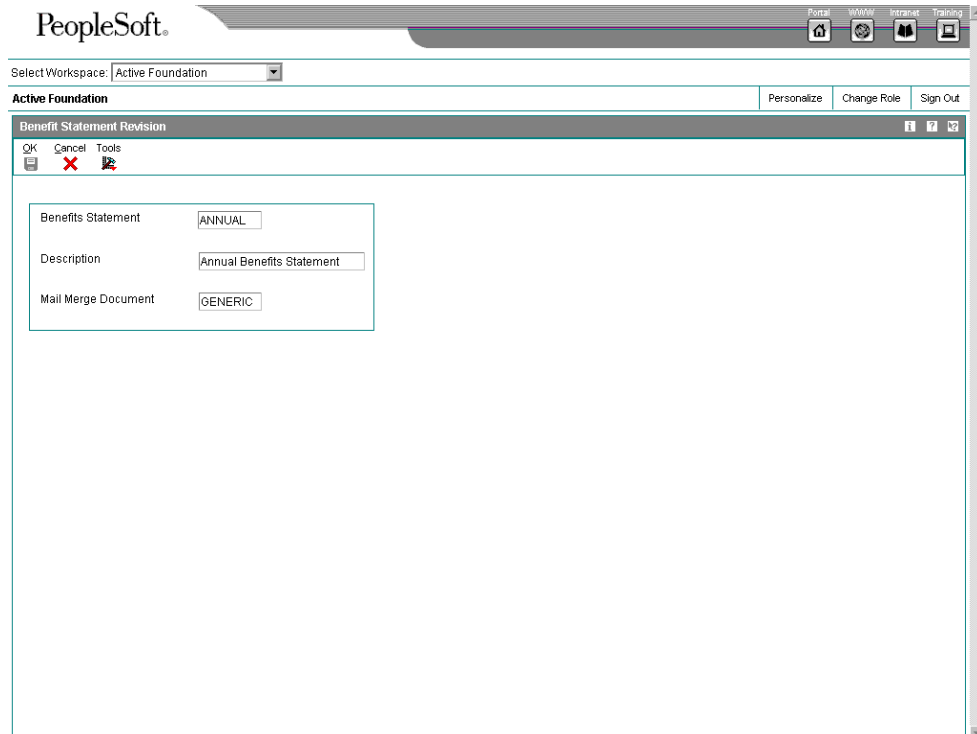
- ❑ Set up a MailMerge document for the benefit statement using the Benefit Statement MailMerge Data Structure (D083305). For more information, see *Adding MailMerge Documents* in the *Foundation Guide*.

► **To set up a benefit statement**

From the Periodic Processing menu (G08BB2), choose Benefit Statement.



1. On Benefit Statement, click Create a Benefit Statement.
2. On Work with Benefit Statement, click Add.



3. On Benefit Statement Revision, complete the following fields and click OK:
 - Benefits Statement
 - Description
 - Mail Merge Document

Setting Up Benefit Statement Headings

Benefit statement headings correspond to the categories of information that will appear on a benefit statement. You need to set up a benefit statement heading for each type of earning, benefit, or tax that you want to appear on the benefit statement. For example, you can set up a benefit statement for each type of insurance provided, for each significant type of pay (regular earnings, vacation pay, and so on), and for specific taxes.

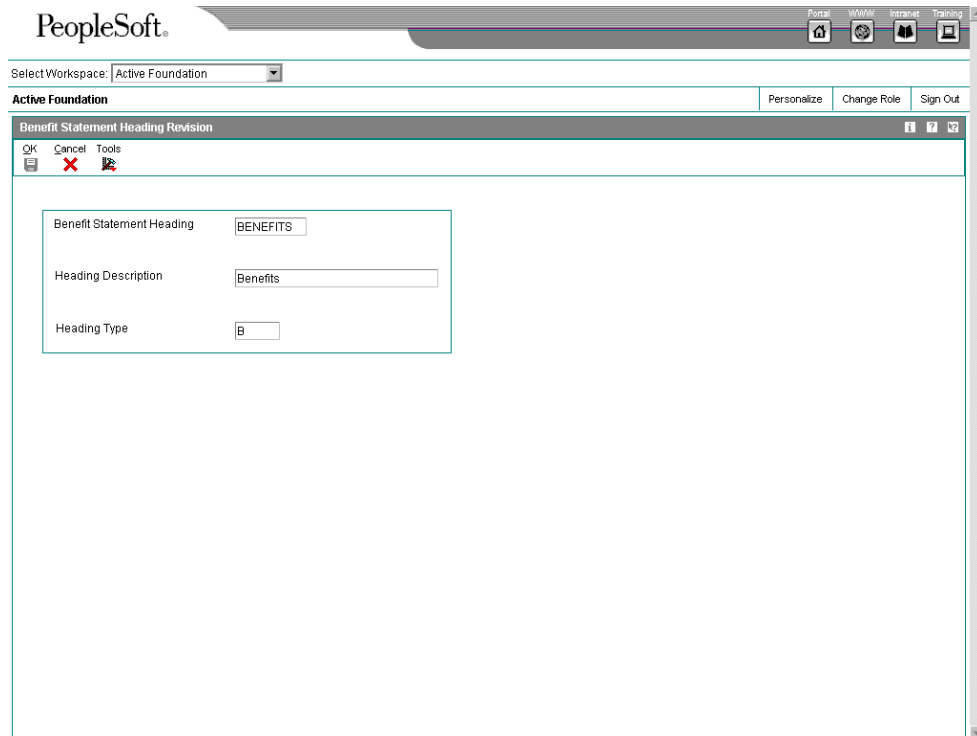
When you create a benefit statement heading, you specify whether the heading corresponds to benefits or earnings. For example, company-paid insurance and taxes are all benefit-type headings, but regular pay types are earnings-type headings. The system uses the totals of the benefit-type headings and earnings-type headings to calculate the percentage of benefits that are company-paid.

You need to cross-reference each heading to either a PDBA or a tax type that supplies the amounts of employee and employer contributions for that heading, and indicate whether the amount is employer- or employee- paid. If the heading corresponds to a type of pay or a benefit plan, cross-reference a PDBA. If the heading corresponds to a tax, cross-reference a tax area and tax type. You must cross-reference either a PDBA or a tax area and type to each heading that you want to include on the benefit statement.

► **To add a benefit statement heading**

From the Periodic Processing menu (G08BB2), choose Benefit Statement.

1. On Benefit Statement, click Create and Define a Benefit Statement Heading.
2. On Work with Benefit Statement Heading, click Add.

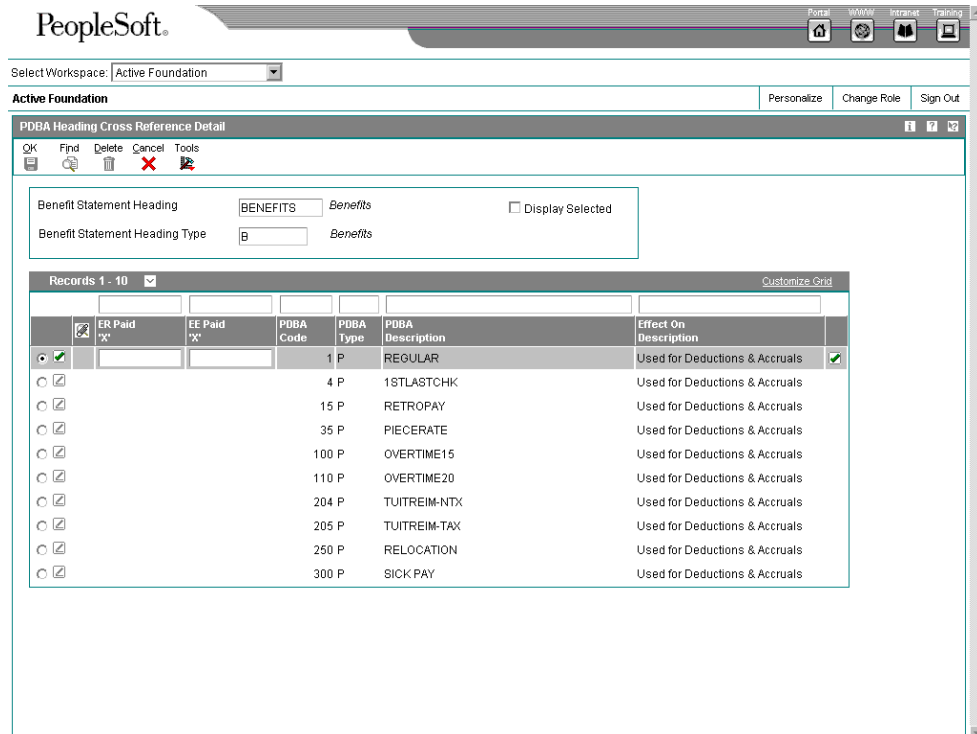


3. On Benefit Statement Heading Revision, complete the following fields and click OK:
 - Benefit Statement Heading
 - Heading Description
 - Heading Type

► **To cross-reference PDBAs**

From the Periodic Processing menu (G08BB2), choose Benefit Statement.

1. On Benefit Statement, click Create and Define a Benefit Statement Heading.
2. On Work with Benefit Statement Heading, complete the following field and click Find:
 - Benefit Statement Heading
3. Choose Benefits or Earnings in the detail area.
4. From the Row menu, choose PDBA Ref.



5. On PDDBA Heading Cross Reference Detail, complete either of the following fields in the QBE row and click Find:
 - PDDBA Code
 - PDDBA Type
6. To indicate that you want to cross-reference a benefit, type an X in the following field:
 - ER Paid 'X'

The system does not allow you to enter an X in the ER Paid field for a deduction code because deductions can only be employee-paid.
7. If this is a deduction that you want to cross-reference, type an X in the following field:
 - EE Paid 'X'

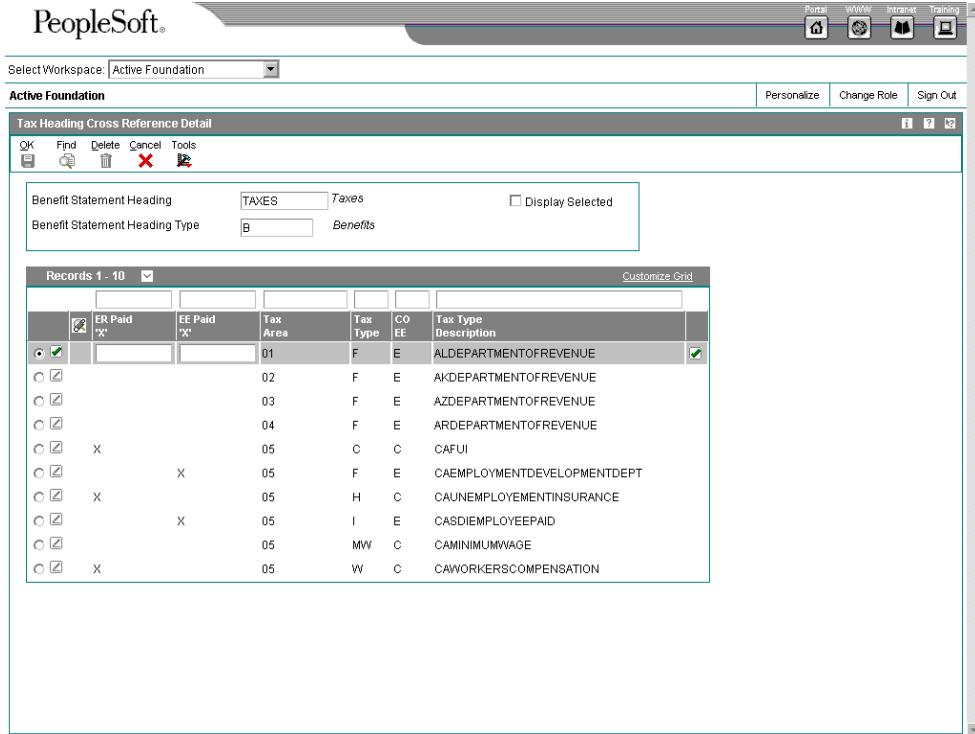
The system does not allow you to enter an X in the EE Paid field for a PDDBA code, such as a pay type code, that can only be employer-paid.

The employer-paid and employee-paid amounts from all the PDDBAs that you cross-reference to a single heading will be totaled to produce total employer and employee contributions for that heading.
8. To review your cross-references, click the following option to turn it on:
 - Display Selected
9. When you have cross-referenced all the PDDBAs that you want, click OK.

► **To cross-reference tax information**

From the Periodic Processing menu (G08BB2), choose *Benefit Statement*.

1. On Benefit Statement, click Create and Define a Benefit Statement Heading.
2. On Work with Benefit Statement Heading, complete the following field and click Find:
 - Benefit Statement Heading
3. Choose TAXES from the detail area and choose Tax Ref. from the Row menu.



4. On Tax Heading Cross Reference Detail, complete either of the following fields in the QBE line and click Find:
 - Tax Area
 - Tax Type
5. Type an X in either of the following fields for each tax area that you want to cross-reference, and then click OK:
 - ER Paid 'X'
 - EE Paid 'X'

To produce the total of the employer and employee contributions for a heading, the system adds together the amounts from all of the tax areas that you cross-reference to a single heading.

6. To review your cross-references, click the following option to turn it on:

- Display Selected

Linking Headings to a Benefit Statement

You link headings to a benefit statement to specify which benefit statements that you have created should appear on a particular benefit statement. You also use sequence numbers to specify the order in which the headings appear on the benefit statement. You can link as many as ten headings of each heading type (benefit, earnings, or other).

► To link headings to a benefit statement

From the Periodic Processing menu (G08BB2), choose Benefit Statement.

1. On Benefit Statement, click Associate Headings to Statement.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Associate Benefit Statement Heading

OK Find Delete Cancel Row Tools

Benefits Statement: ANNUAL Annual Benefits Statement

Mail Merge Document: GENERIC Benefits Statement

Display Headings

All Benefits Earnings Others Display Selected

Heading Seq. No.	Benefit Statement Heading	Heading Description	Heading Type	Type Description
<input checked="" type="checkbox"/> 2	BENEFITS	Benefits	B	Benefits
<input type="checkbox"/> 3	TAXES	Taxes	B	Benefits
<input type="checkbox"/> 1	EARNINGS	Earnings	E	Earnings

2. On Associate Benefit Statement Heading, complete the following field:
 - Benefits Statement
3. To narrow your search, click one of the following options in the Display Headings area, and then click Find:
 - All
 - Benefits
 - Earnings

- Others
4. Complete the following field in the detail area for each heading that you want to include on the benefit statement and click OK:
 - Heading Seq. No

Printing Benefit Statements

When you print benefit statements, the system uses the data selection on a version of the Benefit Statement File Creation Mail Merge program (R083305) to generate the list of employees who will receive a benefit statement. The system merges this list with the MailMerge document that you specified when you set up the benefit statement to create a customized benefit statement for each employee.

You must specify the name of the benefit statement in the processing options of the Benefit Statement File Creation Mail Merge program. You also specify the date range for the benefit statement in these processing options. The system uses the dates that you enter in the processing options, along with the PDBAs and tax areas that you have cross-referenced to headings, to produce total employer and employee contributions for each heading for each employee. The system retrieves the amounts of employer and employee contribution from the Employee Transaction History Summary table (F06146).

Note

Benefit statements are produced as Microsoft Word documents. You must have Microsoft Word in order to print benefit statements.

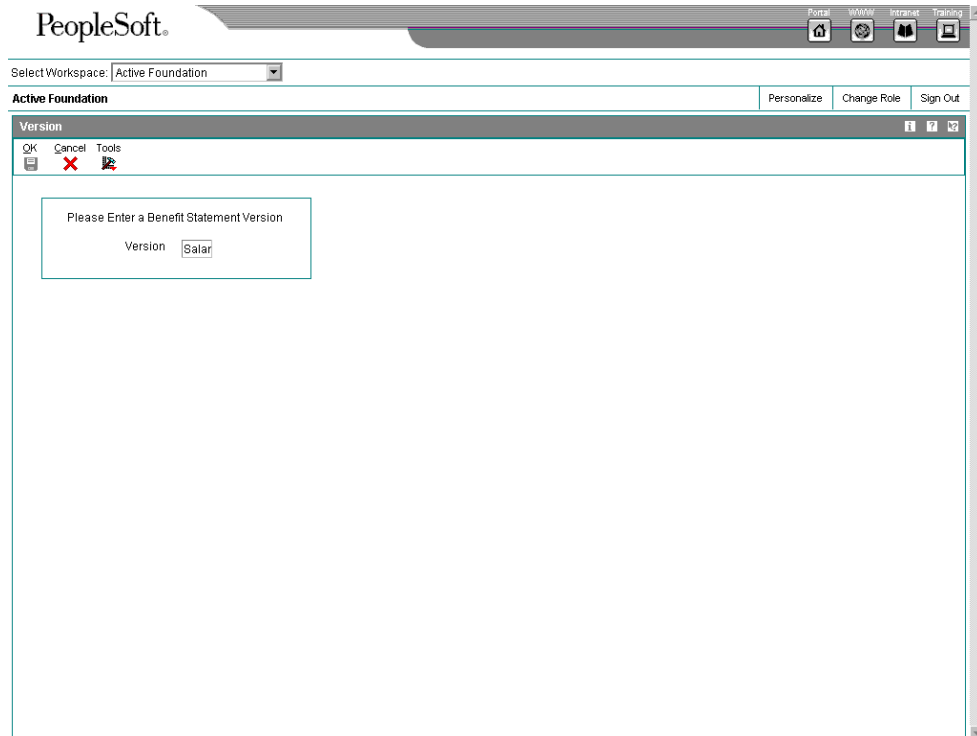
Before You Begin

- ❑ Set up a version of the Benefit Statement File Creation Mail Merge program (R083305) with a data selection that selects the employees for whom you want to create benefit statements. See *Creating a Batch Version* and *Accessing Data Selection and Sequencing for Batch Versions* in the *Foundation Guide*.
- ❑ Enter the name of your benefit statement and specify the date range for the benefit statement in the processing options for your version of the Benefit Statement File Creation Mail Merge program. You can access the version list for the Benefit Statement File Creation Mail Merge program by choosing Versions from the Form menu on the Benefit Statement form.

► To print benefit statements

From the Periodic Processing menu (G08BB2), choose Benefit Statement.

1. On Benefit Statement, click Print the Statement.



2. On Version, complete the following field and click OK:

- Version

As with other reports, you can print your benefit statements directly or display them online. If you choose to display the benefit statement online, the system takes you to a Microsoft Word document of the benefit statements. You can review or print the benefit statements.

Processing Options for Benefit Statement File Creation Mail Merge (R083305)

Define

1. Benefits Statement Name
 2. Month - From
 3. Year - From
 4. Month - Through
 5. Year - Through
-

Flexible Benefits Overview

Flexible benefit plans, also called flex plans, allow employees to select the benefit choices that meet their needs. Employers provide employees with flex credits that they can use to "purchase" the benefit plans that they want. Flex credits can be provided in a lump sum that is based on factors such as length of service or in a lump sum that is the same for all employees. Flex credits can also be awarded upon selection of certain benefit plans.

Each benefit plan has corresponding costs or credits. Plans that are less costly to the employer have a lower flex cost to the employee. For example, a medical plan that includes family coverage might cost an employee 15 flex credits, while an employee-only medical plan might cost only 5 flex credits. A plan that is particularly inexpensive might carry a flex credit to encourage employees to choose that plan over a more costly plan.

Organizations typically use one of the following methods to administer flexible benefit plans:

- The employer provides a single lump sum of flex credits that employees can use to purchase any benefits covered, including medical, dental, and certain disability plans.
- The employer provides a single lump sum or multiple lump sums of flex credits that can be used only to purchase a specific *category* of benefits. For example, an employer might provide a 200.00 USD per month flex credit that the employee uses to purchase medical coverage, as well as a 50.00 USD per month flex credit that can be used to purchase dental insurance.

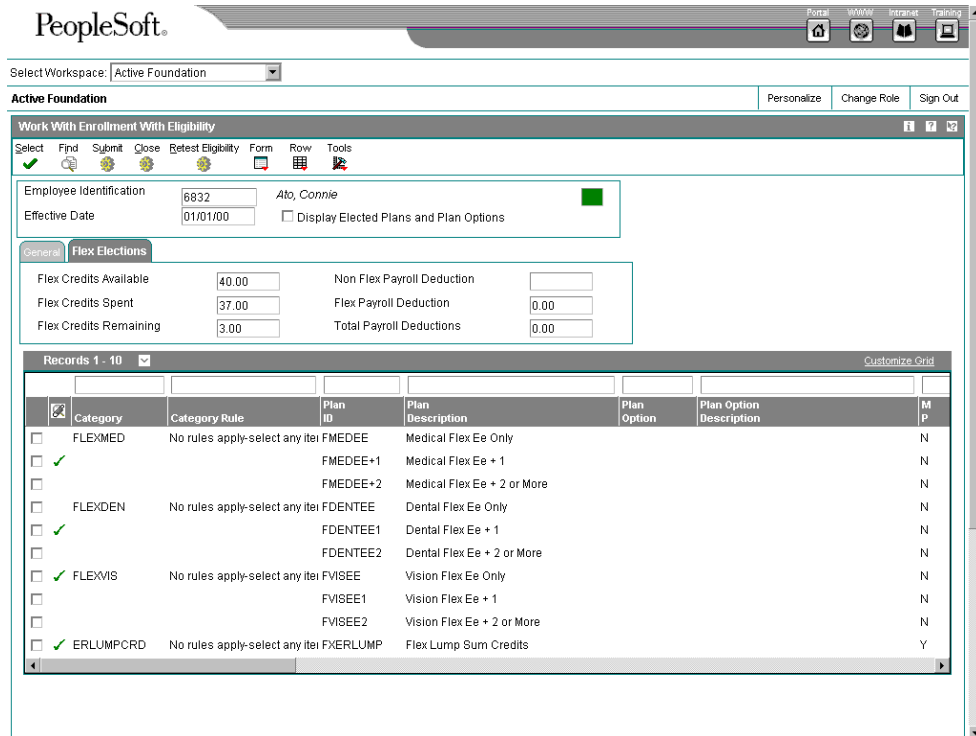
When an employee selects a combination of benefit plans for which the cost exceeds the credits available to the employee, the difference is deducted from the employee's pay through a pretax payroll deduction.

Benefits administrators can enroll employees in flex benefit plans through the Enrollment with Eligibility program (P08334). Employees can also enroll themselves through the self-service benefits programs. In both cases, the system maintains a running total of flex credits that are available, spent, and remaining for each employee.

Enrolling in Flex Benefit Plans

You can enroll employees in flex benefit plans using the Enrollment with Eligibility program (P08334). You can also let employees enroll themselves in benefit plans using the self-service applications. In either case, enrolling in flex plans follows the same process as enrolling in plans that are not flex plans.

The only visible difference between flex and nonflex enrollment is the information that appears on the enrollment form. If a benefit group does not offer flex plans, the system displays the total employee payroll deduction as plan elections are made. If a benefit group offers flex plans, the system dynamically updates various flex amounts on the enrollment form.



The following table describes how the system calculates the information in the fields on the Flex Elections tab for flex benefit plans:

Flex Credits Available Flex credits available are calculated as the total of the flex credits that are awarded in a lump sum and the flex credits that are awarded as a result of enrolling in specific plans.

Flex Credits Spent Flex credits spent are the total flex credits that an employee used to enroll in selected plans.

Flex Credits Remaining Flex credits remaining are the flex credits spent subtracted from the flex credits that are available. If the remaining flex credits are a negative amount, the system displays a message that indicates that the employee has overspent flex credits, which results in a flex payroll deduction. The system automatically updates the DBA that is referenced in the employee flex deduction plan with the amount of the negative remaining balance.

If your organization tracks and rewards positive remaining credits, the benefits administrator must manually enter that amount in the appropriate plan DBA.

Non Flex Payroll Deduction The nonflex payroll deductions amount represents the total cost of nonflex plans in which an employee has enrolled. The system displays this amount for enrollment in groups that offer flex plans.

Flex Payroll Deduction The flex payroll deduction is the amount that results from an employee overspending flex credits. The system displays this amount only if the remaining flex credits amount is negative.

Total Payroll Deductions The total payroll deductions represent the total amount that will be deducted from an employee's pay per pay period to pay for benefit plans. This amount is the total of nonflex payroll deductions and the flex payroll deduction.

See Also

- *Enrolling Employees Using Eligibility* in the *Human Resources – Benefits Guide* for information about enrolling employees in benefit plans

Benefits Administration Setup

Before you can use the Benefits Administration feature of your Human Resources system, you must define certain information that the system uses when it processes benefits administration functions.

When you set up the benefits administration information, you define all the benefit plans that your company uses. Benefit plans include medical coverage and retirement plans. Before you can enroll employees in benefit plans, you must set up benefit plan information.

When you set up a benefit plan, you include the associated deductions, benefits, and accruals (DBAs), and define the following information:

- Effective dates
- Provider or trustee
- Payroll deduction and benefit information
- Eligibility tables

In some cases, the coverage for a plan can vary from employee to employee. For example, in a medical plan, employees might be allowed to choose between individual coverage (employee only) and family coverage (employee plus family). For plans such as these, you can either set up separate plans for each variation or create a single plan and set up plan options for each variation.

To simplify the process of enrolling employees in benefit plans, you can set up group information, which includes benefit groups and benefit categories. For example, you could set up a benefit group for all management personnel. Your organization might have several benefit categories that apply to the management group, such as medical, dental, and life insurance. You can also link the benefit categories to the benefit groups. After you set up the benefit plans, groups, and categories, you can link the benefit plans and options to the benefit categories.

Employees' eligibility for benefit plans might depend on various factors, such as length of service or age. After you set up a benefit plan, you must set up tables that define the eligibility rules for the benefit plan. Typically, eligibility rules are based on the following criteria:

- Age
- Length of service
- Number of hours worked

When you enroll an employee in a benefit plan, the system uses eligibility rules to verify that the employee meets the criteria required to participate in the plan. You can also use eligibility rules to verify that employees continue to meet the criteria after they are enrolled in a plan.

If you have set up any eligibility tables that are based on hours worked (method H), you must set up pay type tables. The system uses pay type tables to calculate the number of hours that an employee worked, which determines the employee's eligibility.

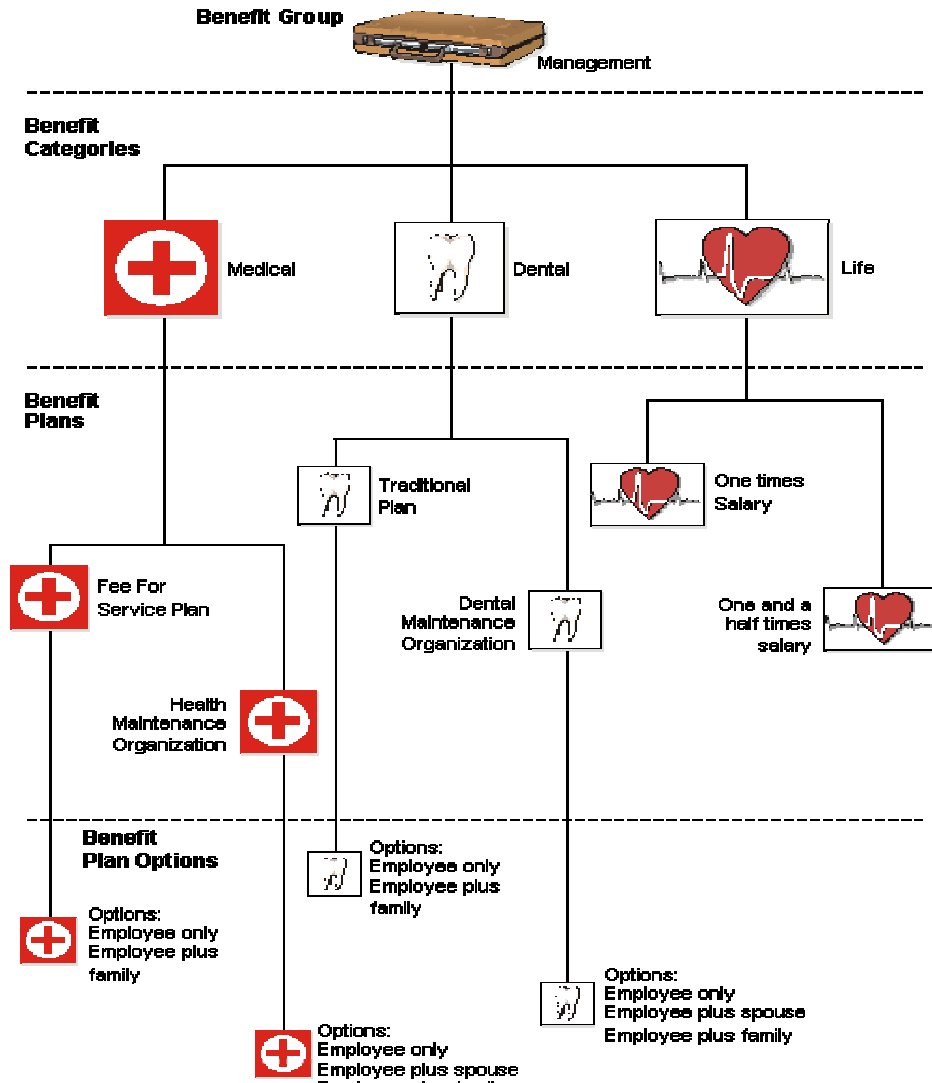
To define the dates on which employees can be enrolled in a benefit plan after they have passed or failed the eligibility tests, you set up date codes. You can set up date codes in one of the following ways:

- By a specific day of the month
- By amount of time after a specific date

- By a specific enrollment date

When you set up the enrollment parameters, you define which action the system uses to determine eligibility when you enroll employees using the enrollment with eligibility feature.

The following graphic illustrates how benefit groups, categories, plans, and plan options are related:



The system stores the information that you set up in various tables, as shown in the following list:

1. Categories within Benefit Groups (F08350)
 - Generic Message/Rates (F00191)
 - General Message Detail (F00192)
2. Plans within Benefit Categories (F08351)
 - Generic Message/Rates (F00191)
 - General Message Detail (F00192)
 - Benefits Plan Master (F08320)
 - Plan Additional Options (F083202)

See Also

- *Employee Self-Service Benefits Setup* in the *Workforce Management Self-Service Guide* for more information about setting up self-service applications

Understanding User Defined Codes for Workforce Management Systems

Many fields throughout the Workforce Management systems accept only user defined codes. You can customize fields in your system by setting up user defined codes to meet the needs of your business environment.

User defined codes are stored in tables that relate to a specific system and code type. For example, 07/PY represents system 07 (Payroll) and user defined code type PY (Pay Cycle Codes). User defined code tables define which codes are valid for the individual fields in your system. If you enter a code that is not valid for a field, the system displays an error message. For example, in the Pay Cycle field, you can enter only those codes that are included in user defined code table 07/PY.

You can access all of the user defined code tables through a single user defined code form. After you choose a user defined code form from a menu, you can change the system code and user defined code type to access another user defined code table. The system stores user defined codes in the User Defined Codes table (F0005). You can also print a list of all user defined code tables to review.

Caution

User defined codes are central to J.D. Edwards systems. You must be thoroughly familiar with user defined codes before you change them.

You might need to set up some additional user defined codes that are specific to the countries in which you conduct business.

See Also

- ❑ *User Defined Codes* in the *Foundation Guide* for complete instructions for setting up user defined codes
- ❑ The global solutions guide for your country for country-specific information about user defined codes

Setting Up User Defined Codes for Benefits

The user defined codes described in the following sections are specific to the Benefits Administration feature of the J.D. Edwards Human Resources system.

Data Items Based From (08/D1)

You use these codes to specify the date from which eligibility is calculated. For example, if you want an employee to be eligible for a benefit plan 30 days after he or she begins employment with the company, you use code DST, which refers to the data item for the Date Started field.

Data Items for Dates to Follow (08/D2)

You use these codes to specify the date for the system to use in conjunction with either the Date of Month field or the End of Month field on the Define Date Codes form to enroll the employee in a benefit plan after he or she has passed eligibility testing. A * specifies the date on which the employee either passes or fails eligibility.

Dependent/Beneficiary Relationship (08/RL)

You use these codes to define the relationship of the dependent or beneficiary to the employee. Examples of these codes are spouse, parent, child, or other relationship.

Use the Special Handling field in this code to limit a relationship to one of the following:

D - Dependent only

B - Beneficiary only

A - Both a dependent and a beneficiary

For example, using the special handling code, you can specify that a spouse relationship qualifies as both a dependent and a beneficiary, but that a friend relationship qualifies a friend to be only a beneficiary.

Dependent/Beneficiary Type (08/DB)

You use dependent/beneficiary type codes in conjunction with dependent/beneficiary relationship codes to further define the relationship of the dependent or beneficiary to the employee. For example, when determining beneficiaries for life insurance, you might designate a primary beneficiary to collect the benefit. You might also designate a secondary beneficiary to collect the life insurance benefit in the event that the primary beneficiary is no longer living. Examples of dependent/beneficiary type codes are Primary and Secondary.

Employee Benefit Status (06/EA)

You use these codes to indicate an employee's status when you test for benefit eligibility. A * indicates that the guidelines refer to all employee actions that are not otherwise specified. Do not change the codes that are hard-coded, such as A (Active) and X (Terminated). These are required codes in the system.

Enrollment Status (08/ES)

You use enrollment status codes to indicate the status of an employee's enrollment in a plan. When you set up enrollment status codes, you must use the following restrictions for the definitions:

- All codes that indicate active participation in a plan must begin with the letter A.
- All codes that indicate an ending status that does not result in a new enrollment (such as a termination) must have the letter X in the first position of Description 2 field on the User Defined Codes form.
- A code that begins with the letter X, when used as an ending status, represents a mistaken enrollment. No employee DBA instructions are written.
- An * indicates all statuses not otherwise specified.

Event Codes (08/BE)

You use event codes to indicate events that occur for which employees are allowed to change their benefit information using benefits self-service. Examples of event codes include marriage, birth of a child, new hire, and open enrollment.

Pay Type Table (08/TT)

You use pay type table codes to define different groups of pay types. These pay type tables are used to identify which pay types should be used for calculating certain benefit eligibility information. For example, if employees must work 160 hours before they are eligible for medical benefits, you must define which pay types count towards the 160 hours. If sick, vacation, or leave time should not be included in calculating the employees' accumulated hours for the purposes of testing eligibility, you would not include sick, vacation, or leave pay types in the pay type table that is associated with the eligibility table for your medical plan.

Plan Status (08/ST)

You use plan status codes to define the current state of a benefit plan. For example, you can use A to define the plan as active or N to define the plan as inactive. This code is used for informational purposes only and does not affect any system calculations or processes.

Plan Type (08/PT)

You use plan type codes to identify and group specific types of benefit plans. For example, you can use L to identify life insurance plans and M to identify medical plans.

Setting Up Common Settings for Workforce Management

You use the common settings for human resources to control specific features of several human resources processes, such as benefits enrollment, compensation management, and self-service programs.

Setting up the common settings updates the Common Settings for HR Employee Self Service Programs table (F05004).

Common Settings for Benefits Enrollment

Setting up the common settings for benefits enrollment allows you to specify whether to link dependents and beneficiaries to benefit plans and whether to require date of birth and tax ID when adding a new dependent or beneficiary.

The table that follows this paragraph describes the common settings for data items that appear on Work With HRM Common Display Settings form. On the J.D. Edwards System Control - Revisions form, you can specify the current setting for each of these data items for enrolling dependents and beneficiaries in benefit plans.

Associate Beneficiaries to Plans?	This common setting indicates whether to associate beneficiaries with benefit plans. To require that beneficiaries be associated with a plan when you enroll beneficiaries in benefit plans, set this setting to Yes.
Associate Dependents To Benefit Plans?	This common setting indicates whether to associate dependents with benefit plans. To require that dependents be associated with a plan when you enroll dependents in benefit plans, set this setting to Yes.
Date of Birth Required for Dep/Ben?	This common setting indicates whether date of birth is required for dependents and beneficiaries. To require that you enter the date of birth when you add a new dependent or beneficiary, set this setting to Yes.
Tax ID Required for Dep/Ben?	This common setting indicates whether tax ID is required for dependents and beneficiaries. To require that you enter the tax ID when you add a new dependent or beneficiary, set this setting to Yes.

► To set up common settings for benefits enrollment

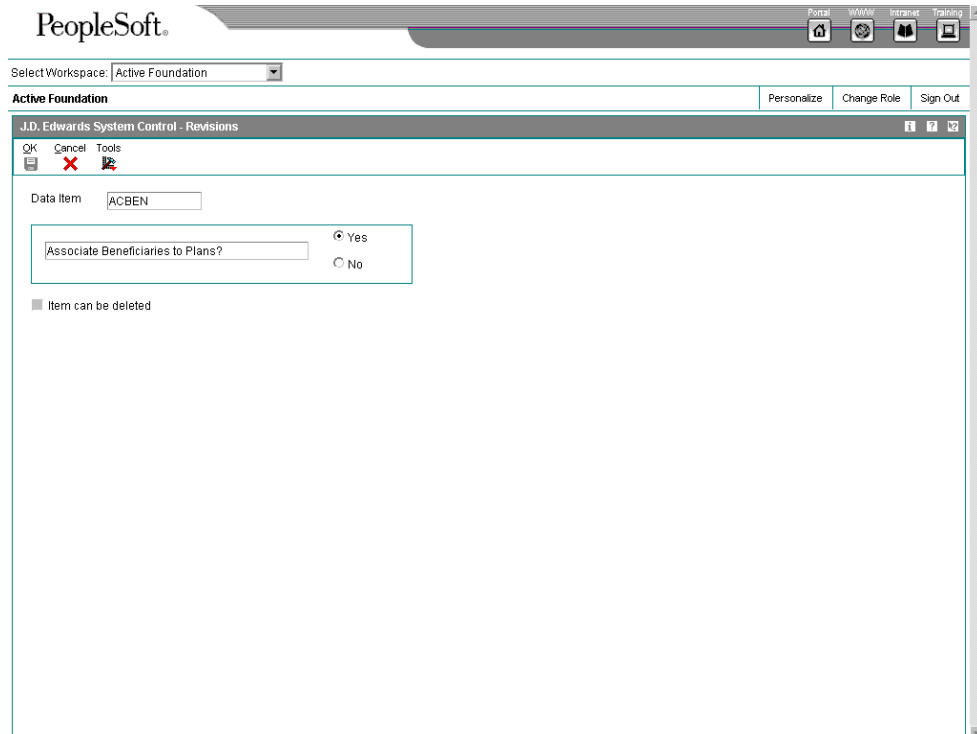
Use one of the following navigations:

From the Self Service Setup menu (G05BESS4), choose Common Settings for EE Self Service Appl.

From the Compensation Mgmt System Setup menu (G08CM14), choose HRM Common Settings.

1. On Work With HRM Common Display Settings, choose the record that contains the data item for which you want to change the current setting, and then click Select.

You cannot delete these data items from the system.



2. On J.D. Edwards System Control – Revisions, click one of the following options to specify the current setting, and then click OK.
 - Yes
 - No
3. To add another data item, on Work With HRM Common Display Settings, click Add.
4. On OneWorld System Control – Revisions, complete the following field:
 - Data Item
5. Click one of the following options to specify the current setting, and then click OK:
 - Yes
 - No
6. If you need to delete a data item that you have added, on Work With HRM Common Display Settings, choose the data item and click Delete.

You cannot delete system-supplied data items from the system.

Setting Up Group Information

A benefit group identifies a set of benefits that is available to a particular group of employees. For example, you might have a benefit group for executives, another for salaried employees, and another for hourly employees.

Within each benefit group are benefit categories. Benefit categories identify a type of benefit that is available to the members of the benefit group to which the benefit category belongs. For example, you can have a medical category that contains a variety of medical plans from which an individual in the Executive group can choose. You can have another medical category for your Salaried group that offers different medical plans.

Setting Up Benefit Groups

To save time and reduce data entry errors when you assign benefit plans to employees, you can set up benefit groups and benefit categories. You set up benefit groups to assign the same benefit plans to a specific group of employees, such as executives, hourly employees, or part-time employees. A benefit group identifies the type of employee who is eligible for a particular set of benefits that you define.

► To set up benefit groups

From the Benefits Administration Setup menu (G08BB4), choose Benefit Group Descriptions.

1. On Work With Generic Message/Rate Types, click Add.

Code	Description
<input checked="" type="radio"/> <input checked="" type="checkbox"/>	CDNSAL Canadian Salary Employees
<input type="radio"/> <input checked="" type="checkbox"/>	EXEC Executive Benefit Group
<input type="radio"/> <input checked="" type="checkbox"/>	FLEX Flex Benefits
<input type="radio"/> <input checked="" type="checkbox"/>	FLXLMP Flex Lump Sum Benefit Group
<input type="radio"/> <input checked="" type="checkbox"/>	HRLY Hourly Employee Benefit Group
<input type="radio"/> <input checked="" type="checkbox"/>	MGMT Management Benefit Group
<input type="radio"/> <input checked="" type="checkbox"/>	PT-TM Part Time Employee Benefit Grp
<input type="radio"/> <input checked="" type="checkbox"/>	SALARY Salary Employee Benefit Group

2. On Enter Generic Message/Rates, to set up a benefit group, complete the following fields in an empty row:

- Code
 - Description
3. Choose the record that you just created, and then choose General Message from the Row menu.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

General Message

OK Delete Cancel Row Tools

Product Code: 06 Record Type: BG

Message Number: EXEC Executive Benefit Group

Description

Customize Grid	
<input checked="" type="checkbox"/>	Welcome to your executive benefit plans. We are pleased to
<input checked="" type="checkbox"/>	offer you the most competitive benefits in the industry.
<input checked="" type="checkbox"/>	

4. On General Message, type the description for this benefit group that you want to appear on the Enter Generic Message/Rates form and on the employee's enrollment form.
5. Click OK to return to Enter Generic Message/Rates.
6. Complete steps 2 through 5 for each benefit group that you need to set up.

After you finish setting up your benefit groups, complete the steps for setting up benefit categories.

See Also

- *To set up benefit categories in the Human Resources – Benefits Guide to complete the steps for setting up benefit categories*

Processing Options for Benefit Group Descriptions (P00191)

Defaults

1. System Code

2. Record Type
Display

1. Text Type

1 = Display Rate Text
2 = Display Message Text

2. Text Column Display

1 = 60 Column Display
2 = 80 Column Display

Setting Up Benefit Categories

After you set up a benefit group, you can create benefit categories to organize the plans within the group. Benefit categories are descriptions of related types of benefit plans. For example, your organization might offer two medical plans, a traditional-style plan and an HMO. You can define a benefit category called medical and link those two medical plans to that category.

Use benefit categories to associate the different categories of benefits that your company offers to a benefit group. Examples of benefit categories include medical, dental, life, and disability insurance, as well as flexible spending accounts.

When you set up a benefit group or benefit category, the system stores the information in the Generic Message/Rates table (F00191). Any additional, or detail, information that you include is stored in the General Message Detail table (F00192). You cannot access these tables from a user defined codes window or form.

Caution

In self-service benefits enrollment, employees can enroll in only one plan per category. Therefore, if you are using Employee Self-Service for benefits enrollment, set up a separate category for each type of plan. Do not set up a single category that will include more than one plan in which an employee is likely to enroll. For example, do not set up a single category for both employee life insurance and dependent life insurance plans because an employee is likely to enroll in both.

► **To set up benefit categories**

From the *Benefits Administration Setup* menu (G08BB4), choose *Group Category Descriptions*.

1. On *Work With Generic Message/Rate*, click *Add*.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

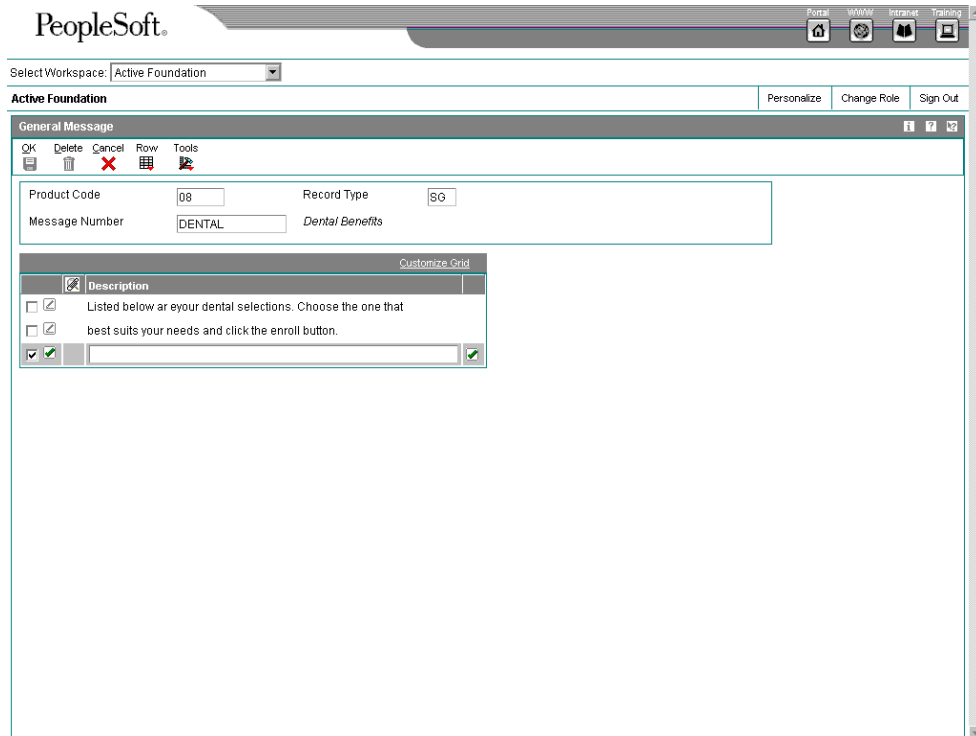
Enter Generic Message/Rates

Product Code: 08 Human Resources

User Defined Codes: SG

Code	Description
<input checked="" type="checkbox"/>	401K 401(k) Benefits
<input type="checkbox"/>	DENTAL Dental Benefits
<input type="checkbox"/>	ERLUMPCRD Employer Lump Sum Credits
<input type="checkbox"/>	FLEXDEN Flex Dental Benefits
<input type="checkbox"/>	FLEXDEDED Employee Flex Deductions
<input type="checkbox"/>	FLEXMED Flex Medical Benefits
<input type="checkbox"/>	FLEXVIS Flex Vision Benefits
<input type="checkbox"/>	LIFE Life Insurance Benefits
<input type="checkbox"/>	LIFEADDTL Life Insurance Additional
<input type="checkbox"/>	LIFEBASIC Life Insurance Basic

2. On *Enter Generic Message/Rates*, to set up a benefit category, complete the following fields in an empty row:
 - Code
 - Description
3. Choose the record that you just created, and then choose *General Message* from the *Row* menu.



4. On General Message, type the description for this benefit category that you want to appear on the Enter Generic Message/Rates form and on the employee's enrollment form.
5. Click OK to return to Enter Generic Message/Rates.
6. Complete steps 2 through 5 for each benefit category that you need to set up.

After you finish setting up your benefit categories, complete the steps for linking categories to benefit groups.

See Also

- *To link categories to benefit groups in the Human Resources – Benefits Guide*

Processing Options for Group Category Descriptions (P00191)

Defaults

1. System Code

2. Record Type
Display

1. Text Type

1 = Display Rate Text
2 = Display Message Text

2. Text Column Display

1 = 60 Column Display
2 = 80 Column Display

Linking Categories to Benefit Groups

After you set up benefit groups and benefit categories, you can link categories to each benefit group. For example, you can link the benefit categories for medical, dental, and life to the management benefit group. When you link a category to a benefit group, all of the employees in that group are eligible for all of the benefit plans in that category.

When you link categories to groups, you can also include the following information:

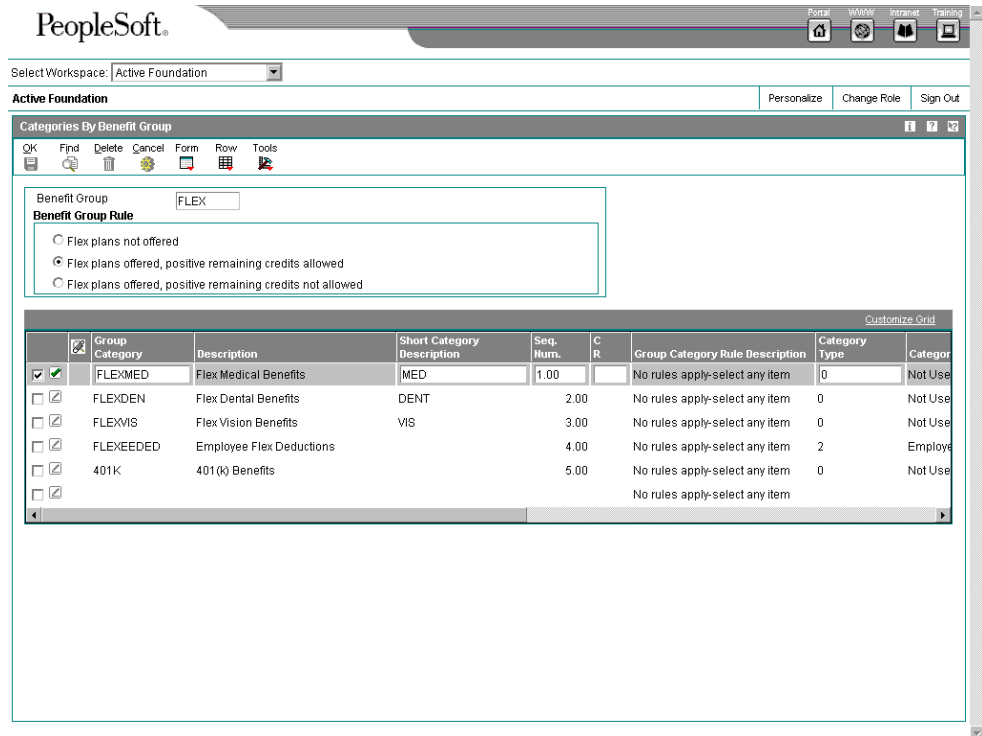
- Whether the benefit group has flex plans
- The sequence in which the benefit categories appear on the enrollment form
- The election criteria for a benefit category
- The benefit category type for special flex plans
- The benefit category classification
- An employee option to print a form for declining benefit coverage
- Whether employees must stay within the current benefit group options or within a current group of benefit plans

If a benefit group has flex plans, you must set up a benefit category for employee flex deductions (category type 2). This benefit category is the mechanism for deducting a negative flex balance from employee pay. If the employer awards members of the benefit group a lump sum of flex credits, you must set up a benefit category for those lump sum credits (category type 1).

► To link categories to benefit groups

From the Benefits Administration Setup menu (G08BB4), choose Categories by Benefit Group.

1. On Work With Benefit Groups, complete the following field and then click Find:
 - Benefit Group
2. Choose the benefit group record and then click Select.



3. On Categories By Benefit Group, click one of the following options in the Benefit Group Rule group box to indicate whether the benefit group offers flex plans, and if so, how it treats positive remaining credits:
 - Flex plans not offered
 - Flex plans offered, positive remaining credits allowed
 - Flex plans offered, positive remaining credits not allowed
4. Complete the following fields and click OK:
 - Group Category
 - Seq. Num.
 - C R
 - Category Type

Setting Up Benefit Plans

Before you can enroll employees in benefits, you must set up every benefit plan that your company offers. To deduct benefit payments from employees' pay, you must also assign the DBAs that integrate the benefit plan with the Payroll system. The system stores benefit plan information in the Benefits Plan Master table (F08320).

For some benefits, coverage can vary from employee to employee. For example, employees might be allowed to purchase medical insurance for their dependents, as well as for themselves. Typically, the cost of insuring dependents is greater than the cost of insuring only the employee. In this case, you can do either of the following:

- Set up Employee Only, Employee Plus One, and Employee Plus Family as separate medical plans and link each of these plans to the medical category.
- Set up a medical plan, such as MED-HMO, that has options for Employee Only, Employee Plus One, and Employee Plus Family. When you link MED-HMO to the medical category, the system also links the options.

You can use either of the previous methods to administer your benefit plans. The following table lists the main features of each method:

Separate plans	<ul style="list-style-type: none">• Allows you to apply mandatory or default rules• Must be used for a plan that has another plan as a prerequisite
Single plan with options	Provides flexibility in that you can add options or make an option invalid instead of ending an entire plan and creating a new one

When you set up a benefit plan, you assign one or more DBAs to the plan. You can assign a deduction-type DBA to automatically withhold the cost or a portion of the cost of a benefit plan from an employee's pay. You can use a benefit-type DBA to track the cost or portion of the cost that the company occurs when it provides a particular benefit plan.

If you are providing flex benefit plans, you use an employee flex cost DBA to represent the value of the flex credits that an employee must use to enroll in the plan. Use an employer flex-credits DBA to award employees with flex credits for selecting a particular plan. You also use the flex DBAs to calculate remaining credits when an employee enrolls in flex plans. When an employee has negative remaining credits, you use an employee flex deduction DBA to subtract the overspent amount from the employee's pay.

After you set up a benefit plan, you might need to periodically update the amounts or rates that are associated with the DBAs and options for the plan. For example, when a benefit carrier raises its rates, you typically need to increase the employee- and employer-paid deductions for the plan. When you need to update DBAs or plan options, you can access the forms that you need from the master record for the plan or plan options.

After you attach an employee record to a plan, you cannot delete the plan. Even when employees are not active, their records remain attached to the plan. Also, you cannot change the dependent or beneficiary status of a plan if dependents or beneficiaries are enrolled in the plan or if the plan has options with a conflicting dependent or beneficiary type.

Before You Begin

- ❑ Set up the pay types, deductions, benefits, and accruals (PDBAs) that you assign to the plan. See *PDBA Setup* in the *Workforce Management Foundation Guide*.
- ❑ In the Address Book system, set up the provider or trustee for the plan.
- ❑ Set up eligibility tables associated with the plan (optional). See *Setting Up Eligibility Tables* in the *Human Resources – Benefits Guide*.

See Also

- ❑ *Setting Up Plan Options* in the *Human Resources – Benefits Guide*
- ❑ *Setting Up Flex Benefit Plans* in the *Human Resources – Benefits Guide* for more information about flex plans and benefit-plan DBAs

Adding a New Benefit Plan

Before you can enroll employees in a benefit plan, you must set up the plan. You add a new benefit plan when you need to set up a unique plan or when you are setting up a plan for the first time. When you set up a plan, you define the following types of information:

- Effective dates
- Provider or trustee
- Enrollment rules
- Eligibility tables

► To add a new benefit plan

From the Benefits Administration Setup menu (G08BB4), choose Plan Master.

1. On Work With Plan Master, click Add.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Plan Master

OK Cancel Form Tools

Plan ID: MEDICAL Medical Plan for EE + One

General Info Calc./Eligibility Addl. Info Cat. Codes Self-Service Premium/Coverage

General

Provider/Trustee: 4350 Equitable Insurance Company

From Date: Thru Date:

Policy/Reference Number: Mandatory

Plan Type: M Medical Enter Amount/Rate

Status Code: A Active COBRA Plan

Enrollment Rules

Enrollment Start Date: Start on enrollment date

Allow Enrollment at Plan Level Flex Plan

Dependent/Beneficiary **Spending Account**

Requires Dependents Not a Spending Account

Requires Beneficiaries Medical Spending Account

Does not require Dependent/Beneficiary Non-Medical Spending Account

2. On Plan Master, complete the following field:
 - Plan ID
3. In the unlabeled field to the right of the Plan ID field, type the name of the plan.
4. On the General Info tab, complete the following field:
 - Provider/Trustee
5. Complete the following optional fields or accept the default values:
 - From Date
 - Thru Date
 - Policy/Reference Number
 - Plan Type

Note

You need to assign the same benefit plan type to every plan within a benefit category. For example, all medical plans should be assigned to the medical plan type.

-
- Status Code
6. Click any of the following options:
 - Mandatory

- Enter Amount/Rate
 - COBRA Plan
7. In the Enrollment Rules group box, choose an option for the Enrollment Start Date.
 8. Click one or both of the following options:
 - Allow Enrollment at Plan Level
 - Flex Plan
 9. Click one of the following options in the Dependent/Beneficiary group box:
 - Requires Dependent
 - Requires Beneficiary
 - Does Not Require Dependent/Beneficiary

The Dependent/Beneficiary options define whether a plan is designated as a dependent plan or a beneficiary plan.

10. Click one of the following options in the Spending Account group box:
 - Not a Spending Account
 - Medical Spending Account
 - Non-Medical Spending Account

You use the Spending Account options to associate the account with medical or other types of expenses.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Plan Master

OK Cancel Form Tools

Plan ID: MEDICAL Medical Plan for EE + One

General Info **Calc./Eligibility** Add. Info Cat. Codes Self-Service Premium/Coverage

Payroll Integration DBA Codes

EE Payroll Deduction	4003
ER Paid Benefit	1005
EE Flex Cost	
ER Flex Credits	

Eligibility

Init Elig Table	MEDI
Cont Elig Table	MEDC
Prerequisite Plan	

11. Click the Calc./Eligibility tab and complete any of the following DBA fields:

- EE Payroll Deduction
- ER Paid Benefit
- EE Flex Cost
- ER Flex Credits

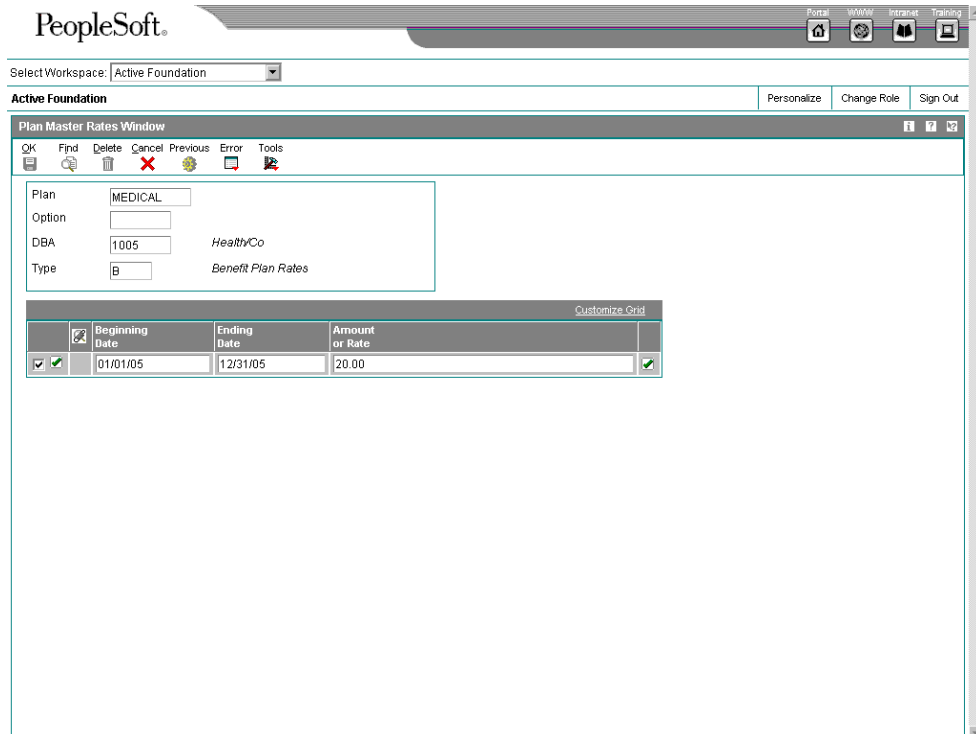
If the plan is a flex plan, you should complete either the EE Flex Cost or EE Flex Credits field.

12. To enter a date-sensitive override amount or rate for the employee contribution to one of the items, click one of the DBA fields and then choose Plan Rates from the Form menu.
13. On PDBA Detail choose a record and then click Select.

Note

The plan rate or amount that you enter on this form is a date-sensitive override to the rate that exists in the DBA. You must complete the DBA field before you enter override amounts or rates. You cannot enter an amount or rate for a DBA field that is blank.

Entering new rates does not change existing benefit plan information for employees. To recalculate the new premium costs, the employee must re-enroll in the plan or a Workforce Management administrator must process batch enrollment.



14. On the Plan Master Rates Window, complete any of the following override fields, click OK, and then click Cancel:
 - Type
 - Beginning Date
 - Ending Date
 - Amount or Rate
15. On the Calc./Eligibility tab of Plan Master, complete the following fields:
 - Init Elig Table
 - Cont Elig Table
16. Complete the following optional field:
 - Prerequisite Plan
17. To enter information about the plan, click the Addl. Info tab, and then enter the information.
18. To track additional data, click the Cat. Codes tab and complete the relevant information.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Plan Master

Plan ID: MEDICAL Medical Plan for EE + One

General Info Calc_Eligibility Adm. Info Cat. Codes **Self-Service** Premium/Coverage

Description: Medical Coverage - Employee and One Dependen

Short Plan/Plan Option Description: [Empty]

Plan Grouping Code: M1

Track Primary Care Physician (PCP)

Indicate the minimum number of persons to be covered (including the employee): 1

Indicate the maximum number of persons to be covered (including the employee): 2

19. If you use Self-Service Benefits, click the Self-Service tab and complete the following fields:

- Description

If you do not enter a description, the plan description appears on self-service forms. This description field allows a longer representation of the benefit plan.

- Short Plan/Plan Option Description

This description field allows only a short description that is used when benefit plans appear as column titles on self-service forms.

- Plan Grouping Code

J.D. Edwards recommends that you use the Plan Master Options program (P083202) instead of Plan Grouping.

You can use plan grouping to associate benefit plans if you do not use benefit plan options. For example, if you create separate benefit plans for employee only, employee plus 1, employee plus family, and employee opt out, you can set up a plan grouping code in UDC 08/PG. You can then assign the plan grouping code to each plan master record.

J.D. Edwards recommends that you set up a non-participating plan for each benefit category so that employees can elect this plan to choose no coverage.

20. If you want to track the primary care physician number, click the following option:

- Track Primary Care Physician (PCP)

21. If the purpose of the benefit plan is to indicate that an employee is declining coverage, click the following option:

- Non-Participating Plan Flag

The system displays this option only if the plan is set up as a nonparticipating plan.

Note

J.D. Edwards recommends that you set up a non-participating benefit plan for every benefit category.

22. If the plan is a dependent plan, specify the range of persons to be covered (including the employee) by completing the following fields:

- Minimum Dependents
- Maximum Dependent

If the benefit plan is a dependent plan, the system displays two fields on the bottom of the form to allow you to enter the number of dependents who can enroll in the plan.

The screenshot shows the PeopleSoft Plan Master interface. At the top, there is a navigation bar with icons for Home, WWW, Internet, and Training. Below this is a 'Select Workspace' dropdown menu set to 'Active Foundation'. The main content area is titled 'Active Foundation' and includes 'Personalize', 'Change Role', and 'Sign Out' links. The 'Plan Master' window is open, displaying a form for 'MEDICAL' with the description 'Medical Plan for EE + One'. The 'Premium/Coverage' tab is selected, showing two sections: 'Premiums' and 'Coverage'. The 'Premiums' section includes fields for 'Premium Payment', 'Per Coverage Dollars' (set to 1), and 'Maximum Premium Amount'. The 'Coverage' section includes fields for 'Amount - Coverage', 'Rounding Amount', 'Age Rate Table', 'Salary Factor', and 'Data Item'.

23. Click the Premium/Coverage tab and complete either of the following fields to specify premium information:

- Premium Payment
- Age Rate Table

24. Complete the following optional fields:

- Per Coverage Dollars
- Maximum Premium Amount

25. To enter coverage information, complete either of the following fields:

- Amount - Coverage
- Salary Factor

26. Complete the following optional field:

- Rounding Amount

27. Click OK to save the record.

Processing Options for Plan Master (P08320)

Display Tab

This processing option specifies whether certain fields appear on the Plan Master form.

1. EE Flex Cost PDBA and the ER Flex Credits PDBA fields.

0 = Do not display these fields.

1 = Display these fields.

Use this processing option to specify whether the system should display the Employee Flex Costs field and the Employer Flex Credits DBAs field. Valid values are:

0 Do not display these fields.

1 Display these fields.

Copying an Existing Benefit Plan

You can copy an existing benefit plan when you need to set up a plan that is very similar to a plan that you have already set up. For example, you might have a dental plan already set up that has an effective date of January 1 and an ending date of December 31 of this year. The dental plan that your organization will offer for next year will be basically the same as this current plan, with only a few minor changes. To save time and reduce data entry errors when you set up the dental plan for next year, you can copy the current dental plan and then enter only the appropriate changes.

► To copy an existing benefit plan

From the Benefits Administration Setup menu (G08BB4), choose Plan Master.

1. On Work With Plan Master, complete the following optional fields:
 - Plan ID
 - From Date
2. To specify whether to display only active plans or all plans, click one of the options in the Plans area.
3. Click Find.
4. In the detail area, choose the plan that you want to copy and click Copy.

Note

If the plan that you chose to copy has associated plan options, the system displays the Plan Option Copy Confirmation message. To copy both the chosen plan and its associated plan options, click OK. To copy only the plan, click Cancel.

5. On Plan Master, complete the following field:
 - Plan ID
6. Review and change, if necessary, the name of the plan in the unlabeled field to the right of the Plan ID field.
7. Review and, if necessary, change any of the remaining information on the form that the system copied from the original plan, and then click OK.

See Also

- *Adding a New Benefit Plan* in the *Human Resources – Benefits Guide* for information about completing any of the fields or changing the default values in the Plan Master program (P08320)

Setting Up Plan Options

When the coverage for a plan can vary from employee to employee, you can either set up a separate plan for each variation or set up a plan with several options. For example, your organization might offer a dental plan to employees. The cost for this plan might vary depending on whether employees elect coverage for themselves only or for themselves plus their dependents. You can set up this dental plan in either of the following ways:

- Set up Employee Only, Employee Plus One, and Employee Plus Family as separate dental plans and link each of these plans to the dental category.
- Set up a dental plan, such as DEN-01, for an employee and include options such as DEN-01 Plus One and DEN-01 Plus Family. When you link DEN-01 to the dental category, the system also links the options.

When you set up benefit plan options, you can enter different coverage costs for each option. For example, the Employee Only option might cost 20.00 USD, the Employee Plus One option 40.00 USD, and the Employee Plus Family option 80.00 USD. You can indicate the cost of an option in either of the following ways:

- Assign to the option a separate DBA that has an associated amount or rate.
- Assign the DBA associated with the plan to the option. You can enter an override amount or rate for the option in the Plan Master Rates Window program (P083203).
- Use the benefit plan DBA and the benefit plan options DBA. The DBAs must be separate in this case.

When the employee enrolls in a benefit plan option, the system updates the employee's DBA instructions with the amount or rate that you entered for the option.

When you set up options for a single benefit plan, use the option rule to determine how the system calculates additional coverage costs. You can include one or more of the following in the calculation:

- DBA for the benefit plan
- DBA for the option
- Additional amount

When the employee enrolls in a benefit plan option, the system uses the option rule to either add the additional cost or replace the amount in the DBA that you identified in the Plan Master program (P08320). For example, the plan DBA identifies the amount that the employee pays for coverage when enrolled in DEN-01 only. If the employee enrolls in DEN-01 Plus One, you can add an amount to deduct for the additional coverage. If the employee enrolls in the DEN-01 Plus Family option, you can set up an even greater amount to deduct for the coverage for an entire family.

You can use one of three option rules for a single plan with options. Depending on the value that you choose for the option rule, you can include additional factors that the system uses in the calculation, such as DBAs and additional amounts or rates.

The following table illustrates the DBA and additional amounts or rates that are allowed with each rule:

Option Rule	DBA for Plan ID	DBA for Option	Additional Amount
1	X		X
2	X	X	X
3		X	X

You use the rules for any of the DBA codes used for the plan, including the employee payroll deduction and the employer-paid deduction.

After you set up a plan with options, you periodically might need to update the amounts or rates that are associated with those options. For example, if you have set up a medical plan with three options (employee only, employee plus spouse, and employee plus family) and you have entered an amount for each of those options, you must update those amounts whenever the benefit carrier raises its rates.

When you enter plan options, the system stores the information in the Plan Additional Options table (F083202).

You cannot delete a benefit plan or plan option if an employee is enrolled in that option. Even when employees are not active, their records remain attached to the plan option. Also, you cannot change the dependent or beneficiary status of the plan option while dependents or beneficiaries are enrolled in the plan option.

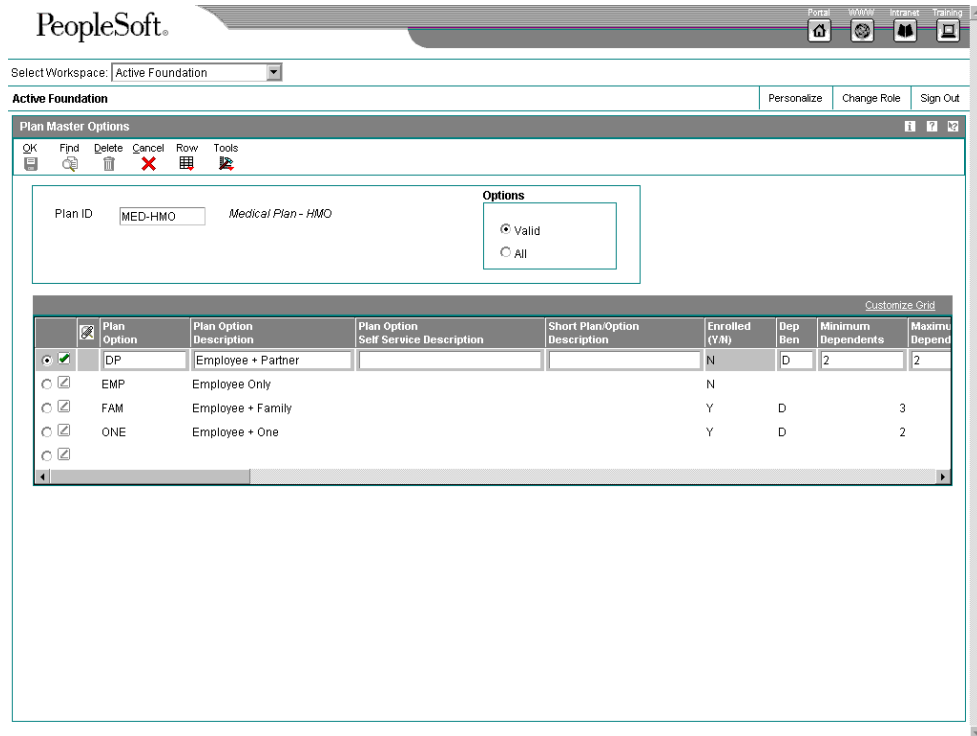
See Also

- *Setting Up Benefit Plans* in the *Human Resources – Benefits Guide* for information that can help you decide whether to set up benefit plans with options

► To set up plan options

From the Benefits Administration Setup menu (G08BB4), choose Plan Master.

1. On Work With Plan Master, complete the following field and click Find:
 - Plan ID
2. Choose a plan.
3. Choose Plan Options from the Row menu.

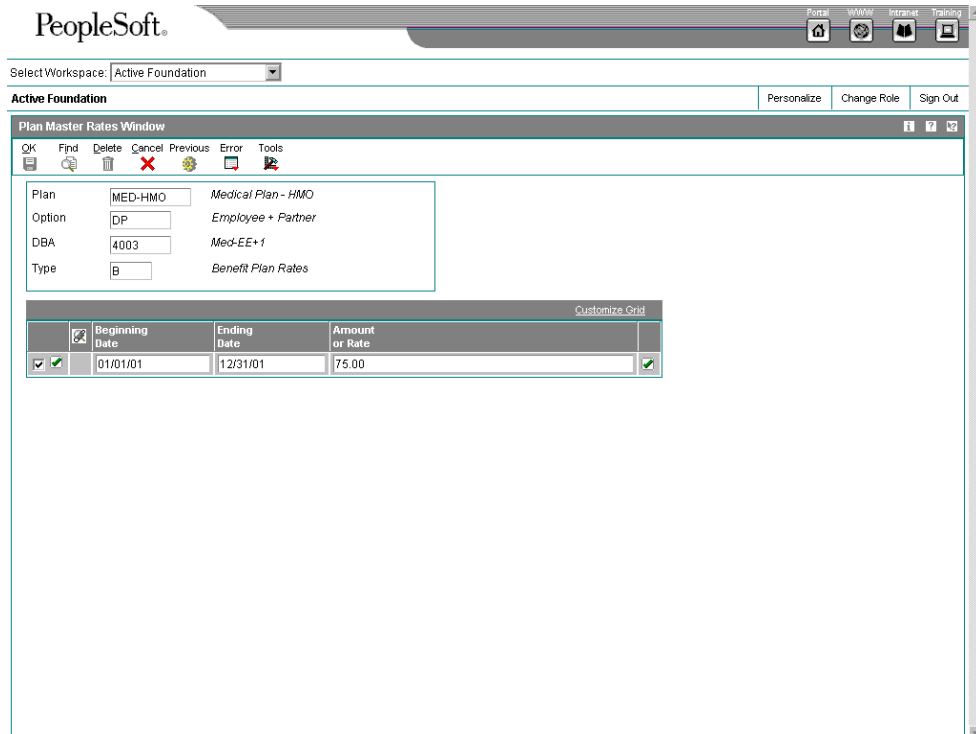


4. On Plan Master Options, complete the following fields:
 - Plan Option
 - Plan Option Description
 - Dep Ben
 - Additional Premium Payment
 - V O

5. If you are using self-service benefits, complete the following fields to set up the plan option for self-service:
 - Plan Option Self Service Description
 - Short Plan/Option Description
 - Minimum Dependents
 - Maximum Dependent
 - PCP Flag
 - Non-Participating Plan

If you do not enter a self-service description, the system uses the benefit plan option description on self-service forms.

6. To set up the employee contribution information, complete the following fields:
 - Payroll Ded -Option Rule
 - Payroll Ded DBA
 - Payroll Ded - Add'l or Override Rate
7. To set up the employer-paid information, complete the following fields:
 - Paid Benefit -Option Rule
 - Paid Benefit DBA
 - Paid Benefit - Add'l or Override Rate
8. To set up the employee flex cost information, complete the following fields:
 - Flex Cost -Option Rule
 - Flex Cost DBA
 - Flex Cost - Add'l or Override Rate
9. To set up the flex credits information, complete the following fields:
 - Flex Credit -Option Rule
 - Flex Credit DBA
 - Flex Credit - Add'l or Override Rate
10. To enter a date-effective override amount or rate for the employee contribution to the DBA item, click one of the DBA fields and choose Plan Rates from the Row menu.
11. On PDBA Detail choose a record and then click Select.



12. On Plan Master Rates Window, complete the following fields:
 - Beginning Date
 - Ending Date
 - Amount or Rate
13. Click OK to save the amount or rate record. Then click Cancel to return to Plan Master Options.
14. Click OK to save the plan record.

Linking Plans to Benefit Categories

To streamline data entry when you enter benefit information for employees, you can link plans to categories within a benefit group. Benefit categories are descriptions of groups of related types of benefit plans. For example, your organization might offer two medical plans, a traditional-style plan and an HMO. You can define a benefit category called medical and link those two medical plans to that category.

You can link specific plans for each benefit, or you can link a plan with attached options. For example, you can set up a benefit category for medical and link the following three plans to it:

- MED for the employee only
- MED+ONE for the employee plus one other person

- MED+FAM for the employee and the employee's family

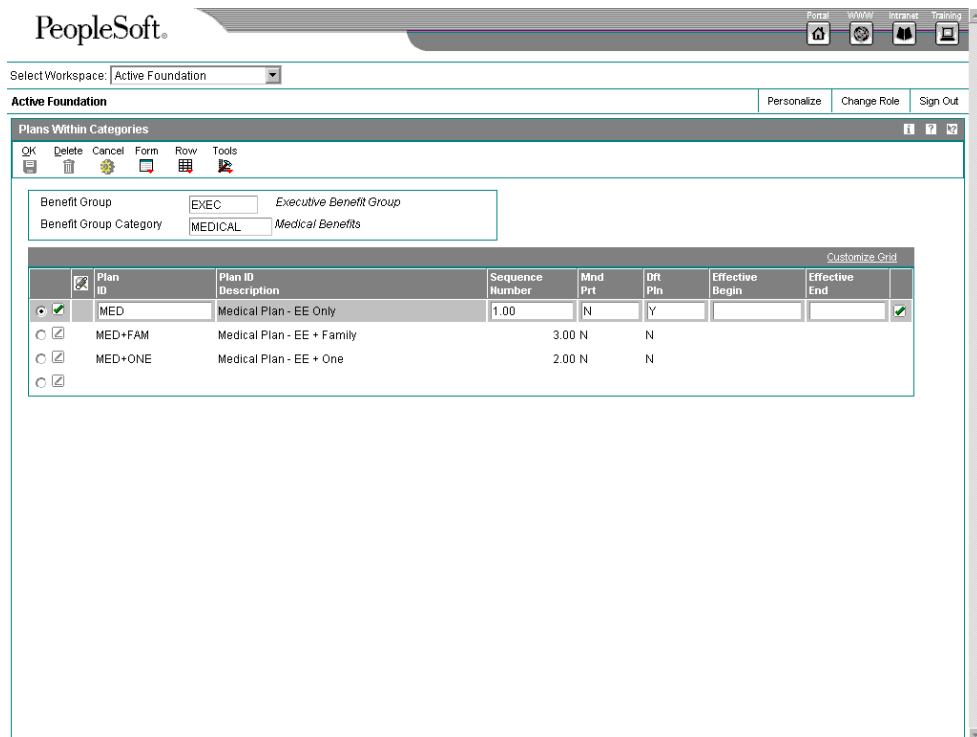
Alternatively, you can set up a benefit category called medical and link to it a single medical plan with options for the Plus One and Family coverages.

When you link plans to categories, you can also enter effective beginning and ending dates. These dates are supplied as defaults to the employees' records when you enroll employees in the specific plan.

► **To link plans to benefit categories**

From the *Benefits Administration Setup* menu (G08BB4), choose *Plans Within Categories*.

1. On *Work with Categories within Groups*, complete the following field and click *Find*:
 - Benefit Group
2. Choose a record and click *Select*.



3. On *Plans Within Categories*, complete the following fields:
 - Plan ID
 - Sequence Number

The sequence number field determines the order in which the plans are listed in the self-service applications. It does not affect the order of plans in *Plans within Categories*.
 - Mnd Prt

- Dft Pln
4. Complete the following optional fields:
 - Effective Begin
 - Effective End
 5. Click OK to save the record.

Setting Up Date Codes

To determine eligible and ineligible enrollment dates for a benefit plan, you set up date codes. You must set up the date codes that you need to include on the eligibility table for the benefit plan.

Eligibility tables and date codes work together. For example, an eligibility table can test for 30 days from the date of hire, and the date code can assign the enrollment date to the first of the month following eligibility.

Setting Up Date Codes for a Specific Date Following a Particular Date of the Month

Use this method to set up a date code when you want enrollment to occur on a specific date that immediately follows a particular date within the month.

For example, when you want enrollment to occur on the 15th of any month after an employee's date of hire, enter 15 as the day of the month and the code for hire date as the date to follow. Then, when an employee begins work on May 30th, eligibility for enrollment in the benefit plan begins on June 15th (the first 15th of a month after the employee's hire date).

In another example, if you want enrollment to occur on the 1st of the month after an employee passes eligibility, enter 1 in the Date of Month field and * as the date to follow. When an employee passes eligibility on June 1st, enrollment in the plan occurs on June 1st. If the employee passes eligibility on June 2nd, enrollment in the plan occurs on July 1st.

► **To set up a date code for a specific date following a particular date of the month**

From the Benefits Administration Setup menu (G08BB4), choose Define Date Codes.

1. On Work With Date Codes, click Add.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Define Date Codes

OK Cancel Tools

Enrollment Date Code: E Description: 1st of Month After Eligible

Date of Month: 1 Or End of Month:

Date to Follow: * Effective Date

Or

Number of Dys, Mos or Yrs: Date to Follow:

Day Month Year

Or

Find Next Match (MM/DD):

First Enrollment: Second Enrollment: Third Enrollment: Fourth Enrollment: Fifth Enrollment: Sixth Enrollment:

2. On Define Date Codes, complete the following fields and click OK:

- Enrollment Date Code
- Description
- Date of Month
- Date to Follow

Setting Up Date Codes for the Last Day of the Month Following a Particular Date

Use this method to set up a date code when you want enrollment to occur on the last day of the month immediately following a particular date.

For example, when you want enrollment to occur on the last day of the month of the date of hire, click the End of Month field and enter the code for the start date as the date to follow. In this case, an employee becomes eligible for enrollment on the last day of the month after being hired. If an employee begins work on May 30th, eligibility for enrollment in the benefit

plan begins May 31st. If an employee is hired on the 31st, then enrollment begins on that day.

► **To set up a date code for the last day of the month following a particular date**

From the Benefits Administration Setup menu (G08BB4), choose Define Date Codes.

1. On Work With Date Codes, click Add.

The screenshot shows the PeopleSoft interface for defining date codes. The window title is "Define Date Codes". At the top, there are navigation icons for Home, WWSW, Internet, and Training. Below the title bar, there is a "Select Workspace" dropdown menu set to "Active Foundation". The main content area is titled "Active Foundation" and includes "Personalize", "Change Role", and "Sign Out" links. The dialog box contains the following fields and options:

- Enrollment Date Code:** A text field containing the letter "L".
- Description:** A text field containing "End of Month After Hire/Rehire".
- Date of Month:** A checkbox that is currently unchecked.
- Or:** A label between two options.
- End of Month:** A checked checkbox.
- Date to Follow:** A dropdown menu set to "DST".
- Date Started:** A text field.
- Or:** A label between two options.
- Number of Dys, Mos or Yrs:** A text field.
- Day, Month, Year:** Radio buttons, with "Day" selected.
- Date to Follow:** A text field.
- Or:** A label between two options.
- Find Next Match (MM/DD):** A section with six rows, each with a label and a text field:
 - First Enrollment
 - Second Enrollment
 - Third Enrollment
 - Fourth Enrollment
 - Fifth Enrollment
 - Sixth Enrollment

2. On Define Date Codes, complete the following fields:
 - Enrollment Date Code
 - Description
 - Date to Follow
3. Choose the following option and click OK:
 - End of Month

Setting Up Date Codes by an Amount of Time after a Specific Date

Use this method to set up a date code when you want enrollment to occur a certain number of days, months, or years after a particular date.

For example, you can define an enrollment date in a particular stock option plan as being two years after the employee's hire date.

► To set up a date code by an amount of time after a specific date

From the Benefits Administration Setup menu (G08BB4), choose Define Date Codes.

1. On Work With Date Codes, click Add.

The screenshot shows the PeopleSoft interface for defining date codes. The window title is "Define Date Codes" and it is part of the "Active Foundation" application. The "Enrollment Date Code" field is set to "3M" and the "Description" is "Three Months After Hire/Rehire". The "Date to Follow" field is empty. The "Basis" group box is selected, with "Month" chosen. The "Date to Follow" field is set to "DST". The "Find Next Match (MM/DD):" section is empty.

2. On Define Date Codes, complete the following fields:
 - Enrollment Date Code
 - Description
 - Number of Dys, Mos or Yrs
 - Date to Follow
3. Choose one of the following options in the Basis group box, and then click OK:
 - Day
 - Month
 - Year

Setting Up Date Codes by a Specific Enrollment Date

Use this method to set up date codes by an enrollment date. You can enter up to six different enrollment opportunities for a date code.

For example, you can enter the first day of each fiscal quarter as an enrollment date so that the system enrolls any employee who meets the other eligibility requirements on the first day of the next quarter. Conversely, if you want enrollment to occur on only one particular date each year, enter only that date.

► To set up a date code by a specific enrollment date

From the *Benefits Administration Setup* menu (G08BB4), choose *Define Date Codes*.

1. On *Work With Date Codes*, click *Add*.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Define Date Codes

OK Cancel Tools

Enrollment Date Code: Q Description: Quarterly Enrollment

Date of Month Or End of Month
Date to Follow:

Or
Number of Dys, Mos or Yrs: Day Month Year
Date to Follow:

Or
Find Next Match (MM/DD):

First Enrollment	<input type="text" value="01/01"/>
Second Enrollment	<input type="text" value="04/01"/>
Third Enrollment	<input type="text" value="07/01"/>
Fourth Enrollment	<input type="text" value="10/01"/>
Fifth Enrollment	<input type="text"/>
Sixth Enrollment	<input type="text"/>

2. On *Define Date Codes*, complete the following fields:
 - Enrollment Date Code
 - Description
3. Enter a month and day in one or more of the following fields and then click *OK*:
 - First Enrollment
 - Second Enrollment
 - Third Enrollment

- Fourth Enrollment
- Fifth Enrollment
- Sixth Enrollment

Setting Up Pay Type Tables

When you plan to set up eligibility tables that are based on the hours on the timecard (method H), you must set up a pay type table for each hours eligibility requirement that you will define for that eligibility table.

When you set up a pay type table, you enter a range of pay type numbers. The system uses this range to calculate the number of hours for each pay type that determines the employee's eligibility.

For example, to include all pay types in the eligibility test, enter pay type 001 through 999. To exclude certain pay types, set up a table with more than one range. For example, to exclude pay type 450 only, set up the following two ranges:

- 001 through 449
- 451 through 999

On each table, you can set up as many ranges as necessary, but you cannot overlap any of the ranges within a table. For example, the system does *not* accept the following two ranges in one table:

- 001 through 449
- 445 through 999

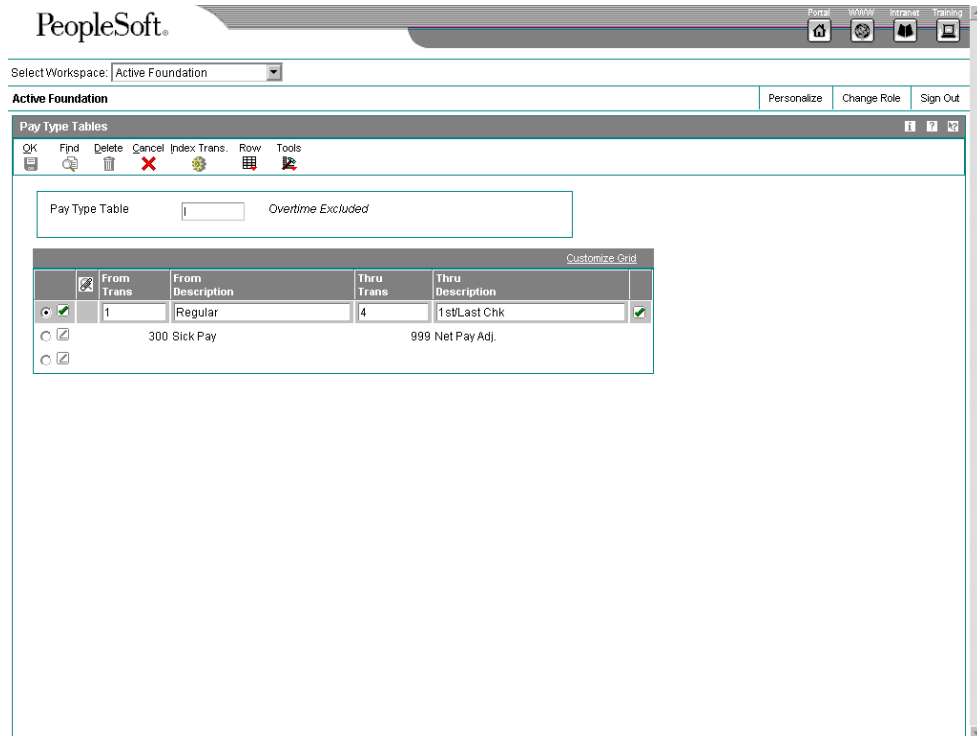
Before You Begin

- Set up the user defined codes (08/TT) for the pay type tables. See *Understanding User Defined Codes for Workforce Management Systems* in the *Workforce Management Foundation Guide*.

► To set up pay type tables

From the Benefits Administration Setup menu (G08BB4), choose Pay Type Tables.

1. On Work With Pay Type Table, click Add.



2. On Pay Type Tables, complete the following fields:
 - Pay Type Table
 - From Trans
 - Thru Trans
3. To set up additional ranges, complete the following fields as many times as necessary:
 - From Trans
 - Thru Trans
4. Click OK to save the records.

Setting Up Eligibility Tables

Some benefit plans require that employees meet certain eligibility requirements before they qualify for or maintain enrollment in a benefit plan. If a benefit plan requires eligibility rules, you enter the name of the eligibility table on the plan master for the benefit.

You must set up an eligibility table to define each of the requirements that you use to determine eligibility. You can use the same table for more than one benefit plan if the eligibility requirements are the same for both. For example, your organization can require that employees be employed with your company full time for six months and have worked a minimum of 40 hours in the past week before they qualify for medical insurance and dental

insurance. In this case, you could set up an eligibility table and associate that table with both plans.

You can also set up an eligibility table to verify employees' continuing eligibility in a plan. For example, your organization might require that employees continue to work at least 35 hours per week to participate in your organization's medical plan.

After you have set up an eligibility table and included it in the plan master for a benefit, the system can test an employee's eligibility for enrollment in a benefit plan. When the system tests for eligibility, one of the following occurs:

- When an employee passes the eligibility test, the system assigns to the enrollment record an eligible status and a beginning enrollment status date based on the date code. When the enrollment status begins with an A (for Active), the system passes the DBA code to the Payroll system so that the system can make the necessary deductions or contributions. The system also assigns a participation date and an eligibility date.
- When an employee does not pass the eligibility test, the system assigns to the enrollment record an ineligible enrollment status and a beginning enrollment status date based on the date code. The system does not pass the DBA code to the Payroll system. In this case, the system does not assign eligibility and participation dates.

You should also set up an eligibility table that you use to indicate that a plan has no eligibility requirements. Use this eligibility table for all benefit plans that do not require employees to meet or maintain eligibility requirements to participate in the plan.

Before You Begin

- ❑ Set up the user defined codes (08/ES) to define the enrollment status. See *Understanding User Defined Codes for Workforce Management Systems* in the *Workforce Management Foundation Guide*.
- ❑ Set up pay type tables to include in any table based on hours worked. See *Setting Up Pay Type Tables* in the *Human Resources – Benefits Guide*.
- ❑ Set up the date codes to define eligible and ineligible enrollment dates. See *Setting Up Date Codes* in the *Human Resources – Benefits Guide*.

► To set up a typical eligibility table

From the Benefits Administration Setup menu (G08BB4), choose Define Eligibility.

1. On Work With Define Eligibility, click Add.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Define Eligibility

OK Find Delete Cancel Form Tools

Eligibility Table: MEDI
Description: Medical Initial Testing

	And /Or	Min Amount	Method	Method Description	Based From	Based From Description	Comp Period	Comp Period Description	Number Periods	Pay Type Table
<input checked="" type="checkbox"/>	AND	6	M	Months Service	DST	Date Started				
<input type="checkbox"/>	AND	40 H	Hours				W	Week (7 days prior)	1	1

Eligible Enrollment

Eligible Status: ACT Active
Date Code: E 1st of Month After Eligible

Ineligible Enrollment

Ineligible Status: PEN Pending Eligibility
Date Code: F Fixed Effective Date

User Defined Programs

Eligibility:
Maintenance:

2. On Define Eligibility, complete the following fields to name the table:
 - Eligibility Table
 - Description
3. To define the parameters or standards of the plan, complete the following fields:
 - And /Or
 - Min Amount
 - Method
 - Eligible Status
 - Date Code
 - Ineligible Status
 - Date Code
4. If eligibility is not based on hours worked, complete the following field:
 - Based From
5. If eligibility is based on hours worked, complete the following fields:
 - Comp Period

- Number Periods
 - Pay Type Table
6. Click OK to save the records.

► **To set up an eligibility table for no eligibility requirements**

From the Benefits Administration Setup menu (G08BB4), choose Define Eligibility.

1. On Work With Define Eligibility, click Add.
2. On Define Eligibility, complete the following fields to name the table:
 - Eligibility Table
 - Description
3. Type any valid value in the following field:
 - Method
4. Type a code that begins with the letter A in the following fields:
 - Eligible Status
 - Ineligible Status
5. Type a code that indicates a fixed effective date in the following fields and click OK:
 - Date Code
 - Date Code

In the Eligibility Table that is set up for no eligibility requirements, you must still set up an "and/or" criterion within the detail area. You cannot set up an Eligibility Table with no information in the grid.

Setting Up Enrollment Parameters

To define which eligibility test and date code that the system applies when you enroll employees using enrollment with eligibility or batch enrollment, you can set up enrollment parameters. Enrollment parameters define which action the system takes when it tests for eligibility. The system compares the employee enrollment information with each enrollment parameter to determine which eligibility test and date code to use. The system then uses the eligibility test and the date code to calculate when to enroll an employee in a benefit plan or whether to terminate the employee's participation.

You base each enrollment parameter on the following search items:

- Plan ID
- Benefit Status
- Enrollment Status
- Valid Plan

After you create enrollment parameters, the Batch Enrollment Parameters table (F08392) organizes the parameters based on level of detail. The least detailed parameter appears at the top of the table and the most detailed parameter is at the bottom of the table. When you enroll an employee in benefits or test for continuing eligibility, the system first compares the employee's enrollment information with the most detailed enrollment parameter (the parameter at the bottom of the table). When the employee's enrollment information does not match the criteria of this enrollment parameter, the system searches for the second most-detailed parameter. The system continues searching, from the most detailed parameter to the least detailed parameter, until it identifies the parameter to use.

When the system locates a parameter that matches the enrollment information for which it is searching, the system conducts the eligibility test or assigns the date code and status that is specified in that parameter.

If you do not set up enrollment parameters, the system does the following:

- When an employee is enrolled in a benefit plan and has an eligible enrollment status as defined by the eligibility test, the system tests continuing eligibility in a plan.
- In all other cases, the system tests initial eligibility for employees.

If you set up parameters for a specific plan, you must also set up the basic parameters for initial and continuing eligibility.

Example: Search Hierarchy for Enrollment Parameters

The Work With Batch Enrollment Parameters form (W08392B) lists parameters in order of detail. Notice that the most restrictive (most detailed) parameter is at the bottom of the list.

The following form illustrates sample enrollment parameters for a 401(k) plan.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Work With Batch Enrollment Parameters

Plan ID:

Plan ID	Plan Description	Benefit Status	Enrollment Status	Enrollment Status Description	Valid Plan	Previous Eligibility	Eligibility Test	Date Code
401K	401(k) Plan	R	*		Y	Y	C	
401K	401(k) Plan	R	ACT	Active	Y		C	

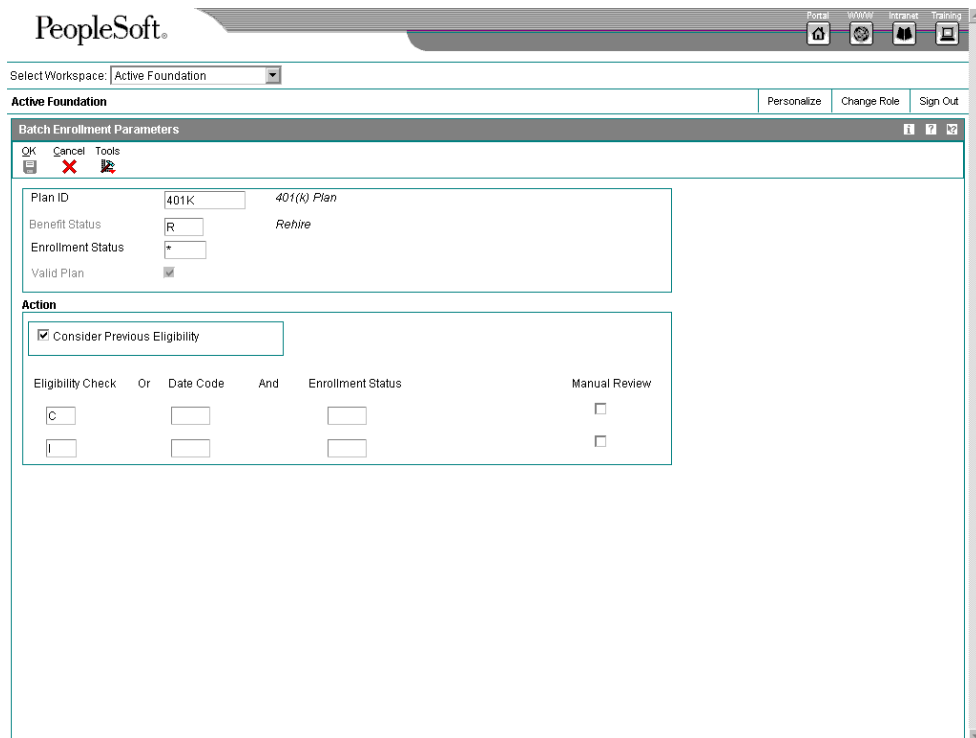
Before You Begin

- ❑ Set up your benefit plans. See *Setting Up Benefit Plans* in the *Human Resources – Benefits Guide*.
- ❑ Set up the eligibility tables. See *Setting Up Eligibility Tables* in the *Human Resources – Benefits Guide*.
- ❑ Set up the date codes that control when an employee becomes eligible or ineligible for a benefit plan. See *Setting Up Date Codes* in the *Human Resources – Benefits Guide*.

► To set up enrollment parameters

From the *Benefits Administration Setup* menu (G08BB4), choose *Enrollment Parameters*.

1. On *Work With Batch Enrollment Parameters*, click *Add*.



The screenshot shows the PeopleSoft interface for the 'Batch Enrollment Parameters' form. The form is titled 'Batch Enrollment Parameters' and is part of the 'Active Foundation' workspace. It includes a toolbar with 'OK', 'Cancel', and 'Tools' buttons. The form fields are as follows:

Plan ID	401K	401(K) Plan
Benefit Status	R	Rehire
Enrollment Status	*	
Valid Plan	<input checked="" type="checkbox"/>	

Action

Consider Previous Eligibility

Eligibility Check	Or	Date Code	And	Enrollment Status	Manual Review
<input type="checkbox"/> C		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> I		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

2. On *Batch Enrollment Parameters*, complete the following fields for the most detailed parameter:
 - Plan ID
 - Benefit Status
 - Enrollment Status
3. Click the following option:
 - Valid Plan

4. Complete either of the following fields:
 - Eligibility Check
 - Date Code
5. To use a status that corresponds to a date code, complete the following field in the Action group box:
 - Enrollment Status
6. To specify that the enrollments in the plan be printed on a manual review request report and processed manually instead of being processed automatically by the system, click the following option to turn it on:
 - Manual Review (Y/N)
7. To specify that the system include an employee's previous eligibility information when it tests for eligibility, click the following option to turn it on:
 - Consider Previous Eligibility

When you click this option, a second row of eligibility fields appears on the form.
8. Repeat steps 4 through 6 for the second row of eligibility fields.

When you set up a parameter to consider previous eligibility, the first row of eligibility fields applies when previous eligibility is met. The second row applies when previous eligibility is not met.
9. Click OK.
10. For each additional enrollment parameter that you want to set up, repeat steps 1 through 9, completing only the relevant fields.

Linking Allocation Funds to Plans

If your organization offers a retirement or investment plan as a benefit to employees, you can link it to the investment programs, or funds, to which employees can allocate their deductions. You must set up all allocation funds as accrual DBAs that are a percentage of the employee and employer contributions. For example, if your 401(k) plan offers employees several different investment programs from which they can choose for their 401(k) deduction, you can link each investment program to the plan.

Before You Begin

- ❑ Set up the funds as payees in the Address Book system. See *Working with Address Book Records* in the *Address Book Guide*.
- ❑ Set up the deduction DBA for the employee-paid deduction and the benefit DBA for the employer-paid contribution to the investment or retirement plan. See *Setting Up Deductions, Benefits, and Accruals* in the *Workforce Management Foundation Guide*.

► **To link allocation funds to plans**

From the Daily Processing menu (G08BB1), choose Fund Allocation Setup.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Fund Allocation Setup

Plan ID: 401K 401(k) Plan
Employee DBA ID: 7000 401(k)
Employer DBA ID: 7001 401(k) Co.

	PDBA Code	PDBA Code Description	Provider Trustee	Provider Trustee Description
<input checked="" type="checkbox"/>	8023	401 GrowthFd	4207	Western Securities
<input type="checkbox"/>	8024	401 Inc Fnd		4215 United Investments
<input type="checkbox"/>				

1. On Fund Allocation Setup, to locate the retirement or investment plan, complete the following field and click Find:
 - Plan ID
2. Choose a blank record in the detail area, and then choose DBA Setup from the Row menu.
3. On Work With PDBAs, click Accrual and then click Add.
The Basic DBA Information form appears.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Basic DBA Information

OK Cancel Form Tools

DBA Code: 8023 DBA Type: A

Paystub Information

Paystub Text: 401 GrowthFd Print Method: N
Print Method Category:

Calculation Rules Limits

Source of Calculation: G Method of Calculation: %
Table Code:
 Calculate During Pre-Payroll Effect on Gross/Net Pay:
 Calculate Even If No Gross Effect on Disposable Wage: 1
Amount Rate 1: Annual Limit 1:
Amount Rate 2: Annual Limit 2:
History Retrieval Flag: 0

Scheduling the Calculation

Pay Period of the Month: (1) (2) (3) (4) (5)
 Calculate Only During 1st Period Worked of Month Beginning Effective Date:
 Calculate Only Once Per Pay Period Ending Effective Date:

4. On Basic DBA Information, in the following field in the header area, type a number that is greater than both the employee-paid deduction DBA and the employer-paid benefit DBA:
 - DBA Code
5. Complete the following field:
 - Paystub Text
6. Type G in the following field:
 - Source of Calculation
7. Type % in the following field:
 - Method of Calculation
8. Verify that the following option is turned off:
 - Calculate Even If No Gross
9. Type the same values that you entered for the DBA for the employee-paid retirement or investment deduction in the following fields:
 - Pay Period of the Month:
10. Choose one of the following options:
 - Calculate Only During 1st Period Worked of Month

- Calculate Only Once Per Pay Period

11. Click OK.

12. On General Accounting/Arrearage Information, complete the following fields and click OK:

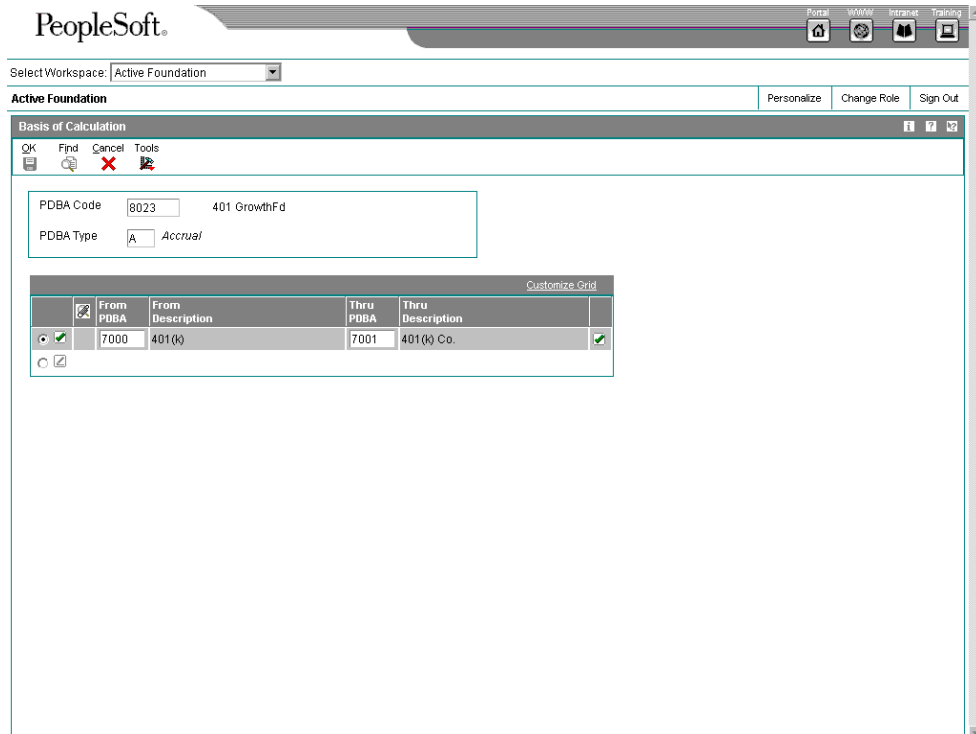
- Effect on GL
- Payee

The screenshot shows the PeopleSoft interface for the 'Active Foundation' workspace. The main window is titled 'General Accounting/Arrearage Information'. It contains the following fields and options:

- DBA Code:** 8023 and 401 GrowthFd
- General Accounting Information:**
 - Effect on GL: N
 - Generate A/P Voucher
 - Payee: 4207 Western Securities
- Arrearage Information:**
 - Arrearage Method: N
 - When To Adjust Ded: 0
 - Order To Adjust Ded: (empty)

13. On Basis of Calculation, type the codes for the employee-paid and employer-paid DBAs in the following fields and click OK:

- From PDBA
- Thru PDBA



14. On Basic DBA Information, click Cancel.
15. On Work with PDBAs, click Close.
16. On Fund Allocation Setup, type the new PDDBA code in the following field, and then press Tab:
 - PDDBA Code
 The new PDDBA appears in the detail area.
17. Click OK to save the new PDDBA.

Verifying the Setup of Benefits Administration

After you set up benefit information, you can review the benefit structure, which shows the relationship between benefit groups, categories, and plans. You can also print a report that provides more detail about benefit plans and plan options within benefit groups and categories. Both methods let you easily discern which plans are associated with a particular benefit group and which plans are associated with multiple benefit groups.

Reviewing the Benefit Structure

Use Benefit Structure Inquiry program (P083204) to review the organization of your benefit plans. This program shows benefit categories and plans within each benefit group.

► **To review the benefit structure**

From the *Benefits Administration Setup* menu (G08BB4), choose *Benefit Structure Inquiry*.

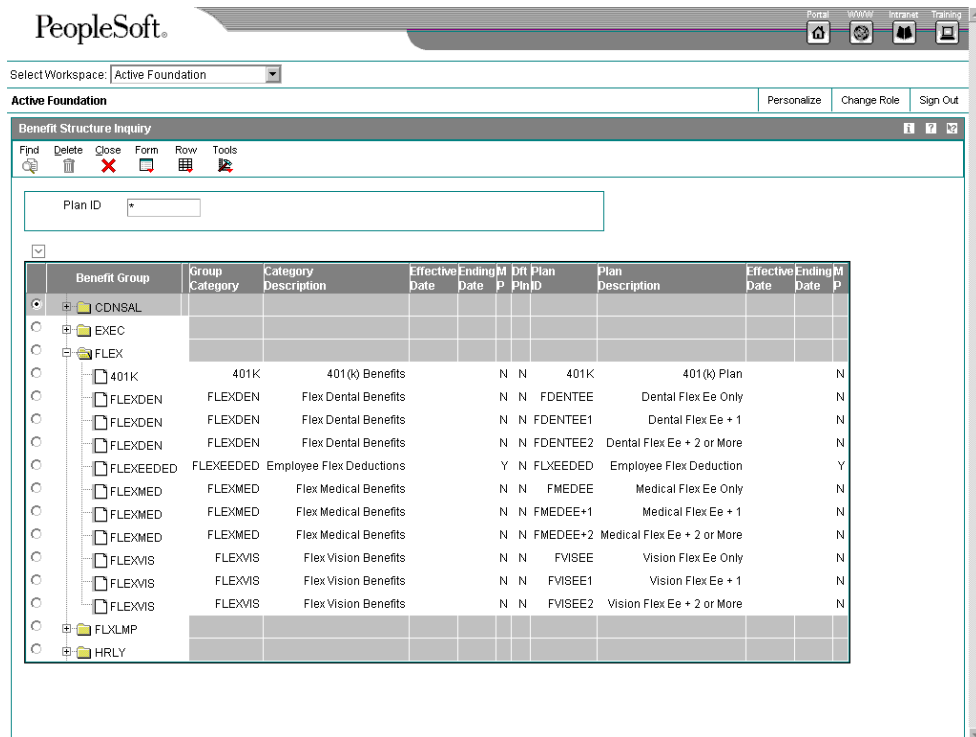
1. On *Benefit Structure Inquiry*, complete the following field and click *Find*:

- Plan ID

The system displays information about the benefit groups that are associated with the plan.

You can type * in the Plan ID field and click *Find* to list all plans in all benefit groups.

2. To review a list of the plans and plan options, click the + next to the benefit group that you want to review.



3. Click the + sign next to another benefit group to display the information about the plan and plan options within that benefit group.

4. Click the – sign next to any benefit group to close all plan and option information.

Reviewing the Plans/Options By Group and Category Report (R083494)

From the Periodic Processing menu (G08BB2), choose Plans/Options By Group and Category.

This report lists all benefit groups and benefit categories that are assigned to each group. It also lists the benefit plans and options that are assigned to each benefit category.

In addition, this report includes the plan ID and description for each benefit plan that you set up. It also includes information from the Plan Master program (P08320), including the employee and employer DBA codes.

Flexible Benefits Setup

Before you can use the flexible benefits features, you need to define the critical information that the system uses for processing. You set up this information to meet the specific needs of your organization.

The setup of flexible benefits varies depending upon the method that you choose to administer the flex plan. Typically, you can choose to set up a lump sum credit that can be used for all benefit plans, or you can set up multiple lump sum credits where each credit is used for a specific category of benefits, such as medical or dental.

Setting Up DBA Information for Flexible Benefits

You might want to set up the DBAs that you will use in flexible benefits before you complete the other setup steps. You complete DBA setup information in the PDBA Setup program (P059116). Flex benefits setup typically requires the following DBAs:

Employee flex deduction	<p>The employee flex deduction is the total cost to the employee for all the selected flexible benefit plans. When an employee elects a flexible benefit plan, the amount in the employee flex deduction is updated with the cost of the selected plan.</p> <p>When you set up the employee flex deduction DBA, be sure to include the following information:</p> <ul style="list-style-type: none"> • Deduction DBA type • Flat dollar amount method of calculation • Blank value in the Amount/Rate 1 field
Employer flex credits	<p>Use the employer flex credits DBA to provide employees with a lump sum amount used to purchase flexible benefits. Flexible benefit costs that exceed the lump sum credit typically results in an employee payroll deduction using the employee flex deduction DBA.</p> <p>When you set up the employer flex credit DBA, be sure to include the following information:</p> <ul style="list-style-type: none"> • Benefit or accrual DBA type • Flat dollar amount method of calculation • Amount/Rate 1 = the amount of employer provided credits • Calculate during pre-payroll
Employee flex cost	<p>The employee flex cost DBA is the amount that an employee must spend in order to select a particular benefit plan. You must set up an employee flex cost DBA for each flex benefit plan for which there is an associated employee cost.</p> <p>When you set up the employee flex cost DBA, be sure to include the following information:</p> <ul style="list-style-type: none"> • Benefit DBA type • Flat dollar amount method of calculation • Amount or Rate 1 = The cost to the employee for the benefit

	<ul style="list-style-type: none"> • Calculate during pre-payroll
Employer paid benefit	<p>The employer paid benefit DBA is the cost (or portion of the cost) incurred by the company to provide a particular benefit plan. Some companies provide employer paid-benefits in addition to or instead of employer flex credits. This DBA can be used for flex or non-flex plans. The setup is the same for both.</p> <p>The employer-paid benefit does not appear on any interactive enrollment forms. It is simply the company cost that is recorded in the general ledger, and it does not affect the enrollment process.</p> <p>The employer-paid benefit DBA is set up as a benefit type or accrual DBA type.</p>

See Also

- ❑ *Setting Up Deductions, Benefits, and Accruals in the Workforce Management Foundation Guide* for more information about DBA setup

Setting Up a Lump Sum Credit

You can provide employer credits in a lump sum amount that has been determined based on factors such as length of service, or a lump sum amount that is the same for all employees. You can also award credits at the plan level for selection of less-costly benefit plans.

When you provide a lump sum of employer credits, you must set up a lump sum credit category and plan within each benefit group that offers a lump sum credit. The lump sum credit plan is the mechanism for awarding the lump sum credit. The lump sum credit is awarded through either a benefit or accrual DBA.

The lump sum credit category and plan do not appear on self-service forms because employees cannot change their enrollment in this plan.

The lump sum credit plan must be set up as a mandatory plan so that all employees will automatically be enrolled in the plan.

Before You Begin

- ❑ Set up a code and description for the lump sum credit category. See *Setting Up Benefit Categories* in the *Human Resources – Benefits Guide*.
- ❑ Set up a lump sum credit benefit or accrual DBA that has no effect on gross or net pay and that has a positive amount. See *Setting Up Essential DBA Information* in the *Workforce Management Foundation Guide*.

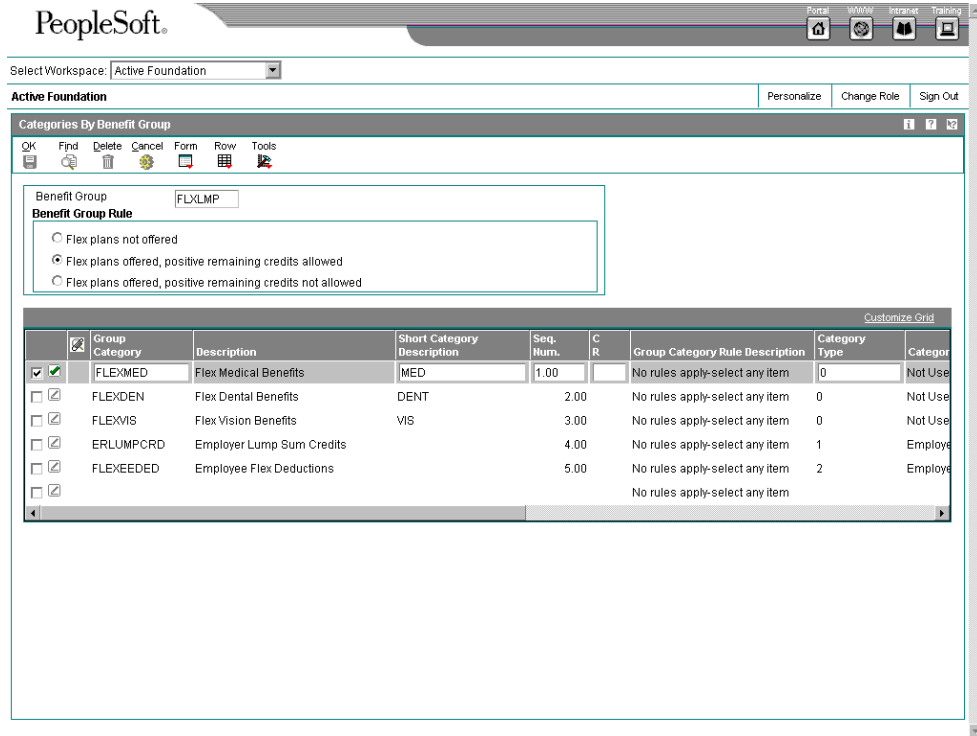
See Also

- ❑ *Setting Up Benefit Plans* in the *Human Resources – Benefits Guide* for complete information about setting up benefit plans
- ❑ *Setting Up Flex Benefit Plans* in the *Human Resources – Benefits Guide* for information about awarding credits at the plan level

► **To set up a lump sum credit category**

From the *Benefits Administration Setup* menu (G08BB4), choose *Categories by Benefit Group*.

1. On *Work With Benefit Groups*, complete the following field with the name of a benefit group that has been set up for flex and click Find:
 - Benefit Group
2. Choose the benefit group and click Select.



3. On *Categories By Benefit Group*, complete the following fields on a blank row in the detail area:
 - Group Category
 - Seq. Num.
4. Type 1 for employer lump sum credits in the following field and click OK:
 - Category Type

► **To set up a lump sum credit plan**

From the *Benefits Administration Setup* menu (G08BB4), choose *Plan Master*.

1. On *Work With Plan Master*, click *Add*.

The screenshot shows the PeopleSoft Plan Master form for a Flex Lump Sum Credits plan. The form is titled "Plan Master" and is part of the "Active Foundation" workspace. The "Plan ID" field is populated with "FXERLUMP" and the "Flex Lump Sum Credits" field is empty. The "General Info" tab is selected, and the "General" section is expanded. The "Provider/Trustee" field is populated with "1001" and "J.D. Edwards & Company". The "From Date" and "Thru Date" fields are empty. The "Policy/Reference Number" field is empty. The "Plan Type" field is empty. The "Status Code" field is populated with "A" and "Active". The "Enrollment Rules" section is expanded, and the "Allow Enrollment at Plan Level" checkbox is checked. The "Dependent/Beneficiary" section has three radio button options: "Requires Dependents", "Requires Beneficiaries", and "Does not require Dependent/Beneficiary". The "Flex Plan Spending Account" section has three radio button options: "Not a Spending Account", "Medical Spending Account", and "Non-Medical Spending Account".

2. On *Plan Master*, complete the following field:

- Plan ID

3. In the unlabeled field following the Plan ID field, type the name of the plan.

4. Enter the address book number of your company in the following field:

- Provider/Trustee

5. Click the following options to turn them on:

- Mandatory
- Flex Plan
- Allow Enrollment at Plan Level

Allow Enrollment at Plan Level must be turned on in order for the flex deduction plan to be included in the self-service workfile build.

6. Click the *Calc./Eligibility* tab.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation

Personalize Change Role Sign Out

Plan Master

OK Cancel Form Tools

Plan ID: FXERLUMP Flex Lump Sum Credits

General Info Calc. Eligibility Add. Info Cat. Codes Self-Service Premium/Coverage

Payroll Integration DBA Codes

EE Payroll Deduction	<input type="text"/>	
ER Paid Benefit	<input type="text"/>	
EE Flex Cost	<input type="text"/>	
ER Flex Credits	7220	ErFlexCredit 40,0000 \$ 8

Eligibility

Init Elig Table	NONE	No Eligibility Testing
Cont Elig Table	NONE	No Eligibility Testing
Prerequisite Plan	<input type="text"/>	

7. Type the lump sum credit benefit or accrual DBA in the following field:
 - ER Flex Credits
8. Complete the following required fields:
 - Init Elig Table
 - Cont Elig Table
9. Click OK

After you set up the lump sum credit category and plan, you must link the plan to the category.

See Also

- [Linking Plans to Benefit Categories in the Human Resources – Benefits Guide](#)

Setting Up an Employee Flex Deduction

Each benefit group that offers flex plans must contain an employee flex deduction category and plan. The employee flex deduction plan is the mechanism for deducting a negative flex balance from an employee's pay.

You do not set up the employee flex deduction plan as a flex plan because it does not have a predetermined flex cost or credit. Instead, you set it up as a regular plan and assign it a pretax deduction DBA that requires entry of a flat amount. The system calculates the flat amount by subtracting the flex costs of the plans that an employee selects from the

employee's available credits. If the resulting amount is negative, that amount is deducted from the employee's pay on a pretax basis.

The employee flex deduction category and plan do not appear on self-service forms because employees cannot change their enrollment in this plan. Also, you cannot change the amount of the employee flex deduction in the Enrollment With Eligibility program (P08334) because the system automatically updates the plan DBA with the employee's negative flex balance.

Before You Begin

- ❑ Set up a code and description for the flex deduction category. See *Setting Up Benefit Categories* in the *Human Resources – Benefits Guide*.
- ❑ Set up a flex deduction DBA with a method of calculation of \$ (Flat Amount). See *Setting Up Essential DBA Information* in the *Workforce Management Foundation Guide*.

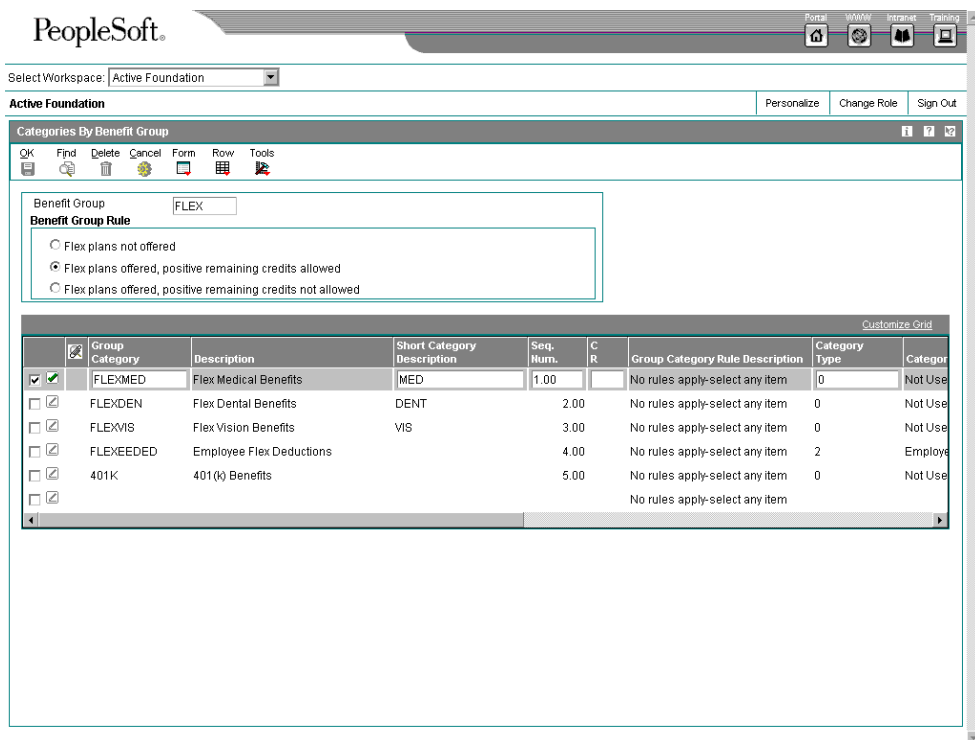
See Also

- ❑ *Setting Up Benefit Plans* in the *Human Resources – Benefits Guide* for complete information about setting up benefit plans

► **To set up a flex deduction category**

From the *Benefits Administration Setup* menu (G08BB4), choose *Categories by Benefit Group*.

1. On *Work With Benefit Groups*, complete the following field with the name of a benefit group that has been set up for flex and click *Find*:
 - Benefit Group
2. Choose the benefit group and click *Select*.



3. On Categories By Benefit Group, complete the following fields on a blank row in the detail area:
 - Group Category
 - Seq. Num.
4. Type 2 for employee flex deduction in the following field and click OK:
 - Category Type

► **To set up a flex deduction plan**

From the *Benefits Administration Setup* menu (G08BB4), choose *Plan Master*.

1. On Work With Plan Master, click Add.

2. On Plan Master, complete the following field:
 - Plan ID
3. In the unlabeled field following the Plan ID field, type the title, or name, of the plan.
4. Type the address book number of your company in the following field:
 - Provider/Trustee
5. Complete the following field:
 - Status Code

6. If all employees are required to enroll in this plan, click the following option:
 - Mandatory
7. Click the following options to turn them on:
 - Enter Amount/Rate
 - Allow Enrollment at Plan Level

This option must be turned on in order for the flex deduction plan to be included in the self-service workfile build.

Note

Do not turn on the Flex Plan option because the flex deduction plan does not have a predetermined flex cost or credit.

8. Choose the Calc./Eligibility tab.

The screenshot shows the PeopleSoft Plan Master interface. At the top, the PeopleSoft logo is on the left, and navigation icons for Portal, HR/MW, Intranet, and Training are on the right. Below the logo, there is a 'Select Workspace' dropdown menu set to 'Active Foundation'. The main header area includes 'Active Foundation', 'Personalize', 'Change Role', and 'Sign Out' buttons. The main content area is titled 'Plan Master' and contains a toolbar with 'OK', 'Cancel', 'Form', and 'Tools' buttons. Below the toolbar, there are two input fields: 'Plan ID' with the value 'FLXEEDED' and 'Employee Flex Deduction'. A tabbed interface is visible with tabs for 'General Info', 'Calc./Eligibility', 'Add. Info', 'Cat. Codes', 'Self-Service', and 'Premium/Coverage'. The 'Calc./Eligibility' tab is active and contains two sections: 'Payroll Integration DBA Codes' and 'Eligibility'. The 'Payroll Integration DBA Codes' section has four rows: 'EE Payroll Deduction' with a value of '7200' and a label 'EeFlexDeduct .0000 \$ D', 'ER Paid Benefit', 'EE Flex Cost', and 'ER Flex Credits'. The 'Eligibility' section has three rows: 'Init Elig Table' with a value of 'NONE' and a label 'No Eligibility Testing', 'Cont Elig Table' with a value of 'NONE' and a label 'No Eligibility Testing', and 'Prerequisite Plan'.

9. Type the flex deduction DBA in the following field:
 - EE Payroll Deduction
10. Complete the following mandatory fields:
 - Init Elig Table
 - Cont Elig Table
11. Click OK.

Setting Up a Benefit Group for Flex

You enable flex benefits at the benefit group level by assigning a benefit group rule in the Categories by Benefit Group program (P08350). The benefit group rule lets you specify whether a benefit group offers flex plans and, if so, whether you want to require the employee to use all of the available credits on flex plans. When the benefit group rule indicates that flex plans are offered, the value generated by the employer flex credit DBAs appears on interactive enrollment forms and is used to calculate an employee's available flex credits.

When an employee uses more flex credits than he or she has available, the system automatically generates a pretax flex deduction for the amount of the negative remaining balance. An employee may have positive remaining credits, if the benefit group rule allows it. The benefits administrator can manually allocate these remaining credits to other plans. The system does not automatically reallocate positive remaining credits.

Within each benefit group that offers flex plans, you must set up a single category with a single plan for employee flex deductions. The system uses this category and plan to track any amounts that an employee spends on benefits in excess of what the employer allowed. This amount is deducted from the employee's pay. If you are offering employees an initial lump sum of flex credits, you must set up a single category with a single plan to hold the lump sum credits. You can also identify the credits for each category or plan, such as 100 credits to spend on medical, 50 credits to spend on dental, and so forth.

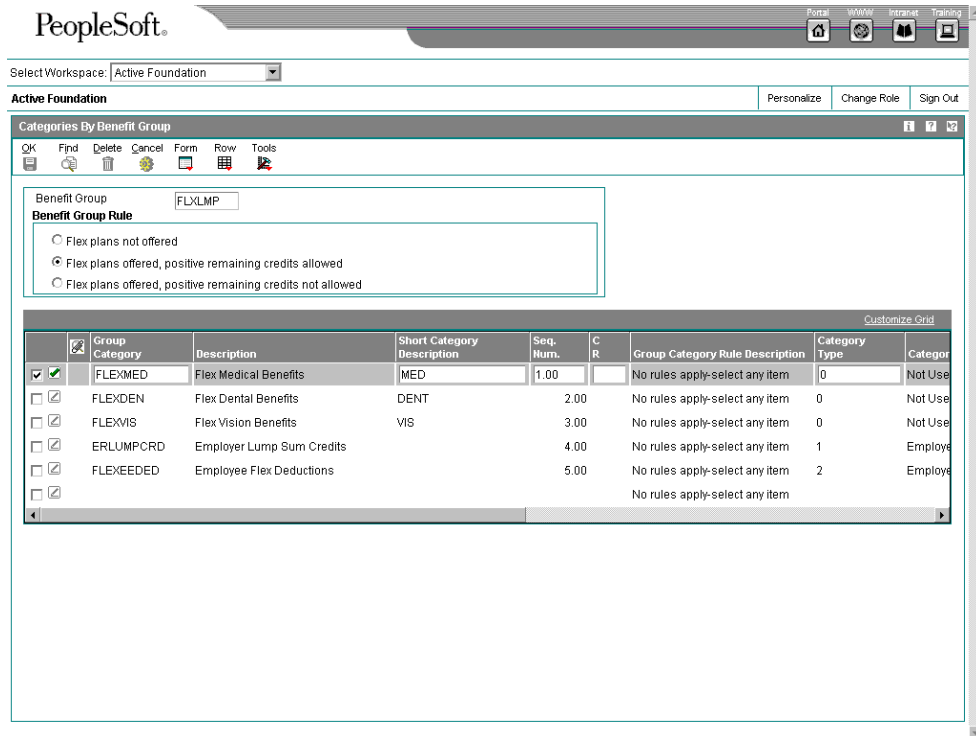
See Also

- ❑ *Setting Up Group Information* in the *Human Resources – Benefits Guide* for complete information about setting up benefit groups
- ❑ *Setting Up an Employee Flex Deduction* in the *Human Resources – Benefits Guide* for information about setting up special plans for flex benefits
- ❑ *Setting Up a Lump Sum Credit* in the *Human Resources – Benefits Guide* for information about setting up special plans for flex benefits

► To link categories to benefit groups for flex

From the Benefits Administration Setup menu (G08BB4), choose Categories by Benefit Group.

1. On Work With Benefit Groups, complete the following field with the name of a benefit group that has been set up for flex and click Find:
 - Benefit Group
2. Choose the benefit group and click Select.



3. On Categories By Benefit Group, complete the following fields on a blank record in the detail area:
 - Group Category
 - Seq. Num.
4. Type 1 for employer lump sum credits in the following field and click OK:
 - Category Type

Setting Up Flex Benefit Plans

You set up flex benefit plans in the same way that you set up other benefit plans, except that you turn on an option in the Plan Master program (P08320) to specify that the plan is a flex plan. When you turn on this option, you should assign the plan either an employee flex cost DBA or an employer flex credits DBA.

Flex plans are normally set up to use the employee flex cost and employer flex credit DBAs. However, the system lets you enter an employee payroll deduction DBA for flex plans as well. You can also set up a plan to require entry of an amount or rate. When a plan requires an amount or rate entry, the system displays a column for amount or rate entries on self-service forms. How the system applies the amount or rate that is entered depends on which DBAs are assigned to the plan.

Note

For each flex benefit plan that you set up, you must link the plan to the appropriate category within the flexible benefit group.

The following rules apply to amount and rate entries for flex plans:

- For plans with the employee flex cost DBA only, amount or rate entries are applied to that DBA.
 - For plans with both the employee flex cost DBA and the employee payroll deduction DBA, amount or rate entries are applied to the employee payroll deduction DBA.
 - For nonflex plans, amount or rate entries apply only to the employee payroll deduction DBA.
-

Caution

On self-service forms, amount or rate entries can never apply to the employer flex credit DBA.

See Also

- ❑ *Setting Up Benefit Plans* in the *Human Resources – Benefits Guide* for complete information about setting up benefit plans
- ❑ *Linking Plans to Benefit Categories* in the *Human Resources – Benefits Guide*

Before You Begin

- ❑ Set up DBAs to represent the employee flex cost that is required in order to participate in the plans or the employer flex credits that are awarded for enrollment in the plans. See *Setting Up Deductions, Benefits, and Accruals* in the *Workforce Management Foundation Guide*.

► To set up a flex benefit plan

From the Benefits Administration Setup menu (G08BB4), choose Plan Master.

1. On Work With Plan Master, click Add.

The screenshot shows the PeopleSoft Plan Master interface. At the top, the PeopleSoft logo is on the left, and navigation links for Portal, Work, Intranet, and Training are on the right. Below the logo, the workspace is set to 'Active Foundation'. The main form area is titled 'Plan Master' and contains the following fields and sections:

- Plan ID:** FMEDEE+2
- Plan Name:** Medical Flex Ee + 2 or More
- General Info Tab:**
 - General Section:**
 - Provider/Trustee: 1001 (J.D. Edwards & Company)
 - From Date: [] Thru Date: []
 - Policy/Reference Number: []
 - Plan Type: M (Medical)
 - Status Code: A (Active)
 - Options: Mandatory, Enter Amount/Rate, COBRA Plan
 - Enrollment Rules Section:**
 - Enrollment Start Date: Start in the beginning of next
 - Allow Enrollment at Plan Level
 - Dependent/Beneficiary:**
 - Requires Dependents
 - Requires Beneficiaries
 - Does not require Dependent/Beneficiary
 - Flex Plan Spending Account:**
 - Flex Plan
 - Not a Spending Account
 - Medical Spending Account
 - Non-Medical Spending Account

2. On Plan Master, complete the following field:
 - Plan ID
3. In the unlabeled field following the Plan ID field, type the name of the plan.
4. Choose the General Info tab and complete the following field:
 - Provider/Trustee
5. Complete the following optional fields:
 - Policy/Reference Number
 - Plan Type
 - Status Code
6. Click the following option to turn it on:
 - Flex Plan

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Plan Master

Plan ID: FMEDEE+2 Medical Flex Ee + 2 or More

General Info Calc./Eligibility Add. Info Cat. Codes Self-Service Premium/Coverage

Payroll Integration DBA Codes

EE Payroll Deduction	<input type="text"/>	
ER Paid Benefit	<input type="text"/>	
EE Flex Cost	4102	MedFlexEe+2 25,0000 \$ B
ER Flex Credits	<input type="text"/>	

Eligibility

Init Elig Table	NONE	No Eligibility Testing
Cont Elig Table	NONE	No Eligibility Testing
Prerequisite Plan	<input type="text"/>	

7. Choose the Calc./Eligibility tab and complete any of the following fields:
 - ER Paid Benefit
 - EE Flex Cost
 - ER Flex Credits
8. Complete the following required fields and any other optional fields, and then click OK:
 - Init Elig Table
 - Cont Elig Table

COBRA

Companies that maintain group health plans are required to offer employees and their dependents continuation of coverage at group rates that the employee would otherwise have forfeited due to qualifying events such as termination, reduction of work hours, divorce, and so on. This requirement is known as the Consolidated Omnibus Reconciliation Act of 1985 (COBRA). The act applies to companies with more than 20 employees.

Companies are also required to provide certification to qualified employees that confirms previous coverage, limits preexisting conditions exclusions, provides special enrollment rights to certain employees and dependents, and prohibits discrimination in plan enrollment and premiums. This requirement is known as Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The J.D. Edwards COBRA administration system allows companies to maintain control of their own programs in compliance with federal and state regulations.

Employees who have been terminated from the company might be entitled to COBRA coverage. Their dependents and beneficiaries might also be entitled to this coverage. You must notify former employees when they become eligible to enroll in COBRA. You process claims and benefits for COBRA participants in the same way that you process claims for employees who are enrolled in the same plans.

You can track the dates on which a qualified beneficiary is eligible for COBRA, elections, and payment dates. You can send initial notice letters and document the date on which you sent them. You can also enter additional information for all qualified beneficiaries.

After you enroll qualified beneficiaries, you can run a variety of COBRA reports to review the COBRA coverage that the qualified beneficiary has chosen, as well as all additional information that has been entered regarding the beneficiary.

This guide is not a replacement for the federal and state requirements. You should be familiar with the regulations and mandates provided by COBRA to implement and maintain your COBRA coverage benefits. For current legislative information about COBRA administration, contact your regional or district office of the Pension and Welfare Benefits Administration for the U.S. Department of Labor.

What Is a Qualifying Event?

Qualifying events are certain events that result in an employee losing group health coverage. The type of qualifying event determines who the qualified beneficiaries are and the length of the coverage period that is offered under COBRA. A plan, at its discretion, might provide longer periods of continuation than required by law.

Examples of qualifying events for an employee are:

- Voluntary or involuntary termination of employment for any reason other than “gross misconduct”
- Reduction in employment hours, such as changing from full-time to part-time status or taking a leave of absence

Examples of qualifying events for a spouse include:

- Voluntary or involuntary termination of the covered employee's employment for any reason other than "gross misconduct"
- Reduction in employment hours worked by the covered employee
- Death of the covered employee
- Divorce or legal separation from the covered employee
- Eligibility of the covered employee to enroll in Medicare

Examples of qualifying events for a dependent child include:

- Loss of "dependent child" status under the employer's plan rules
- Voluntary or involuntary termination of the covered employee's employment for any reason other than "gross misconduct"
- Reduction in employment hours worked by the covered employee
- Death of the covered employee
- Divorce or legal separation of the covered employee
- Eligibility of the covered employee to enroll in Medicare

Who Are Qualified COBRA Beneficiaries?

A *qualified beneficiary* is any individual covered under the employer's group health plan on the day before a qualifying event occurs. Each qualified beneficiary who elects COBRA coverage receives the same core benefits that they were entitled to prior to the qualifying event. Qualified beneficiaries include:

- Employee
- Employee's spouse
- Employee's dependent children

How Do You Comply with COBRA Coverage?

Employees and their dependents who are affected by a qualifying event are entitled to COBRA coverage. You must notify employees that they are qualified beneficiaries and are eligible for COBRA coverage. Qualified beneficiaries are responsible for paying the premium for the plan and any administrative, or handling, fees that are incurred. You administer claims and benefits for COBRA participants in the same way you do for employees enrolled in the same plans, including flexible spending accounts.

You can track the date on which a qualified beneficiary is eligible for COBRA, election dates, and payment dates. Initial notice letters can be sent and the date recorded. As with all Human Resources system programs, you can set up and maintain additional information, or supplemental data, for all qualified beneficiaries. For example, you can record medical history or plan remittance information.

After you enroll qualified beneficiaries, you can print reports to review information about COBRA coverage. You can also print reports that include the additional information that you entered as supplemental data.

The following terms are used throughout COBRA coverage:

Benefit group	Any group of employees who are eligible for the same benefit plans. Many companies establish a COBRA benefit group specifically for qualified beneficiaries who have elected to enroll in COBRA coverage.
Benefit plan	Any plan available with COBRA that is offered by the employer. These include, but are not limited to: <ul style="list-style-type: none"> • Medical and dental insurance • Flexible spending accounts
Dependent	Any person, usually related to the employee, who is eligible for coverage in a benefit plan. A dependent is also a qualified beneficiary.
Qualified beneficiary	Any person who is entitled to receive benefits from a COBRA plan. After a qualified beneficiary elects the COBRA coverage, the term <i>COBRA participant</i> is often used throughout the industry interchangeably with <i>qualified beneficiary</i> .
Qualifying event	Any occurrence that causes an employee or qualified beneficiary to lose group insurance coverage and which, under COBRA regulations, qualifies for continuation of coverage. For example, an employee who is terminated for gross misconduct loses group insurance coverage, but under COBRA regulations is not entitled to continued coverage; therefore, termination for gross misconduct is not a qualifying event.

COBRA Administration

Before you can administer COBRA correctly, you must understand the legislation, your responsibilities, and potential liabilities. For current legislative information regarding COBRA administration, contact your regional or district office of the Pension and Welfare Benefits Administration for the U.S. Department of Labor.

COBRA administration involves the process of notification, as well as tracking and documenting all aspects of COBRA compliance. The system generates both COBRA and HIPAA notification letters. You can track important dates, such as notification dates and coverage periods. You can document qualifying events, qualified beneficiaries, the plans they select, and premium payments. Various reports allow you to monitor compliance with COBRA legislation.

Before You Begin

- ❑ Verify that the COBRA Plan option on the Plan Master form (W08320A) is turned on for all plans that are available for COBRA coverage. See *Setting Up Benefit Plans in the Human Resources – Benefits Guide*.
- ❑ Verify that the Valid for COBRA option on the U.S. Legislative/Regulatory form (W059116UB) is turned on for all DBAs that are used for COBRA administration.

Entering a Qualifying Event or a Subsequent Qualifying Event

Before individuals become eligible for COBRA coverage, a qualifying event must occur. A qualifying event is any event that results in the loss of group health coverage for employees, their spouses, or their dependents, and that qualifies under COBRA legislation for continuation of coverage. As part of the COBRA notification process, you must enter COBRA qualifying events for qualified participants.

The key to COBRA administration is the ability to track important events. For example, you are required to record the following:

- When the benefits administrator is notified of the qualifying event
- When notification letters are sent
- When COBRA coverage is elected

This information is maintained when you enter qualifying events.

When you print the COBRA notification letter, you can also print the election form for COBRA coverage so that you can mail both forms together.

You can also enter a subsequent qualifying event for a participant. For example, an employee initially qualifies for COBRA coverage due to a reduction in hours. Currently, the maximum allowable coverage period for this qualifying event is 18 months. During that 18-month period the employee is terminated. This second qualifying event allows for a 36-month coverage period. When the second qualifying event has a longer coverage period than the initial qualifying event, you write a subsequent qualifying event record for the employee.

You can add subsequent qualifying events manually in the COBRA Qualifying Events program (P089102). The system can also create subsequent qualifying event information automatically when you change employee information that creates a subsequent qualifying event according to the rules that you specify in the rules engine.

► **To enter a qualifying event or a subsequent qualifying event**

On the Daily Processing menu (G05BCOB2), choose Qualifying Events.

1. On Work With Qualifying Events, click Add.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Qualifying Events - Qualifying Events Revisions

OK Cancel Form Tools

Employee or Dependent Number: 6071 *Ishika, Narumi*

Qualifying Event: TM *Termination of Employment*

Date of Qualifying Event: 02/18/02

Qualifying Event Information Additional Employee Info

Date Notice Mailed	02/22/02	Date of Death	
Date Notice Received	03/08/02	Date of Disability	
Notice to Convert Date	02/19/03	Date Terminated	02/18/02
Date Event Reported	02/18/02	Medicare Entitlement Date	
Last Date to Elect	04/23/02	Date of Retirement	
Date Reported Administrator	02/19/02	Date of Bankruptcy	
Administrator Number	2049 <i>McLind, Rod</i>		

2. On Qualifying Events Revisions, complete the following required fields:

- Employee or Dependent Number
- Qualifying Event
- Date of Qualifying Event

When you enter the date of the qualifying event, the following fields are completed for you:

- Notice to Convert Date
- Date Event Reported
- Last Date to Elect
- Administrator Number

You can override the Notice to Convert Date manually. When you enter a different date, you receive a warning message that states that you are about to override the notice to convert date that the system calculated based on the COBRA constants. On Warning COBRA Change Confirmation, click Yes to continue or No to cancel.

3. Complete the following fields as required:

- Date Notice Mailed
- Date Notice Received

- Date - Reported Admin.
- Date of Death
- Date of Disability
- Date Terminated
- Medicare Entitlement Date
- Date of Retirement
- Date - Bankruptcy

PeopleSoft®

Select Workspace: Active Foundation

Active Foundation

Qualifying Events - Qualifying Events Revisions

OK Cancel Form Tools

Employee or Dependent Number: 6071 *Ishita, Narumi*

Qualifying Event: TM *Termination of Employment*

Date of Qualifying Event: 02/18/02

Qualifying Event Information Additional Employee Info

Related Employee: 6071 *Ishita, Narumi*

Home Company: 00001 *Financial/Distribution Company*

Business Unit: 1 *Financial/Distribution Company*

Home Business Unit: 9 *Corporate Administration*

Benefit Group: HRLY

Union Code:

Job Type/Step: 0A-10

Tax Area (Res.): 06 *FUTA*

4. Choose the Additional Employee Info tab and review related employee information.
5. Click OK to save the records.

Note

If the qualifying event that you enter is not valid for the employee according to the criteria that you set up in the Qualifying Event Constants program (P08991), you receive a warning message when you click OK. The qualifying events of death, divorce, and dependent coming of age are valid for dependents rather than employees. When you set up qualifying event constants, an option titled Send COBRA Letter To Employee is available. You turn on this option when the qualifying event is valid for the employee and leave it blank when the qualifying event is not valid for the employee. See *Setting Up COBRA Qualifying Event Constants* in the *Human Resources – Benefits for the United States Guide* for more information about setting up qualifying event constants.

On Warning Qualified Event Not Valid for Employee, click Yes to create qualified event and coverage information for the dependents who are related to the employee. Click No to cancel.

6. To enter a subsequent qualifying event, repeat steps 1 through 5.

When you click OK, you receive a Subsequent Qualified Event confirmation message. If the qualified beneficiary is or was an employee, subsequent event information might have been created for the beneficiary, as well as for any qualified dependents, which updates the coverage period in the COBRA Subsequent Qualified Event Info. table (F089101). If the qualified beneficiary is a dependent, subsequent event information is created for the dependent only. The system does not create subsequent event information unless the event causes an extension of the original coverage period.

7. On Work with Qualifying Events, to automatically generate the COBRA notification letter for this qualifying event, click Print COBRA Letter.

The system supplies the current date in the Date Notice Mailed column. You can override this date manually if, for example, you printed a letter but did not mail it for a few days. The system also completes the Date Notice Mailed field on the Qualifying Events Revisions form (W089102F).

8. To automatically generate the HIPAA notification letter for this qualifying event, click Print HIPAA Letter.
9. To display records with no date in the Date Notice Mailed column, choose the Show COBRA Letters To Be Printed option and then click Find.

The records that appear apply to the COBRA letter only.

See Also

- *MailMerge Workbench* in the *Foundation Guide* for more information about using the MailMerge feature

Reviewing and Updating Subsequent Qualifying Event Information

You can add subsequent qualifying events manually using the Qualifying Events program (P089102). When the subsequent qualifying event extends the coverage period, a subsequent event record is automatically created. After you create qualifying event rules, the system also creates qualifying event information automatically whenever you change employee information that creates a subsequent qualifying event. You can review the updated information in the Subsequent Qualifying Events program (P089101).

► **To review and update subsequent qualifying event information**

From the Daily Processing menu (G05BCOB2), choose *Subsequent Qualifying Events*.

1. On Work With COBRA Subsequent Qualifying Events, complete the following filter fields and then click Find:
 - Employee or Dependent Number
 - Subsequent Qualifying Event
 - Subsequent Qualifying Event Date
 - Related Employee Number
2. Choose a record and click Select.
3. On Subsequent Events Revisions, review information related to the subsequent qualifying event, and then click OK.

The screenshot shows the PeopleSoft interface for 'Subsequent Events Revisions'. The form is titled 'Subsequent Qualifying Events - Subsequent Events Revisions' and is set to 'Active Foundation' workspace. The form contains the following fields:

Employee or Dependent Number	6070	Toth, Stefan	
Subsequent Qualifying Event	BK	Employer's Bankruptcy	
Subsequent Qualifying Event Date	02/19/02		
Original Qualifying Event	HR		
Original Qualifying Event Date	02/19/02		
Date Event Reported	02/19/02	Date COBRA Coverage Starts	02/20/02
Date Notice Mailed		Date COBRA Expires	
Administrator Number	2049	McLind, Rod	
Related Employee	6070	Toth, Stefan	
Date Reported to Administrator			
Date Notice to Convert	02/19/03		
Coverage Period	18	Months	

4. On Work With COBRA Subsequent Qualifying Events, to update the COBRA Coverage table (F08920) with the extended coverage period, choose the record in the detail area, and then choose Continue Coverage from the Row menu.
5. On Warning, click OK.

Note

When a subsequent event record is created automatically, the Coverage Period field displays only the number of months beyond the original coverage period that the COBRA coverage has been extended because of the subsequent qualifying event. For example, assume that the coverage period for an original qualifying event is 18 months. Then, a subsequent qualifying event occurs that allows for coverage of 36 months. In the Subsequent Qualifying Events program (P089101), the Coverage Period field displays 18 months. After the original 18 month coverage period concludes, the coverage period will be extended for an additional 18 months.

Working with COBRA Coverage Election for Participants

Qualified beneficiaries must be given an election period during which each qualified beneficiary can choose to elect or waive COBRA coverage. Currently, the election period must be at least 60 days, measured from the later of the coverage loss date or the date on which the COBRA election notice is provided. The election period is defined in the setup applications.

Each qualified beneficiary may elect COBRA coverage independently. However, a covered employee or the covered employee's spouse may elect the coverage on behalf of all other qualified beneficiaries. A parent or legal guardian may elect coverage on behalf of a minor child.

If a qualified beneficiary chooses to waive COBRA coverage during the election period, he or she can subsequently revoke the waiver and elect coverage, provided that the election period has not ended.

You might need to make revisions to the coverage information. For example, if a participant becomes disabled during the COBRA coverage period, the length of the coverage period is extended. Premiums might also increase during the open enrollment period, so you might need to change the COBRA premium amount.

You terminate COBRA coverage at the end of the coverage period. A participant can also request to terminate the coverage before the end of the coverage period. For example, a participant who was terminated and elected COBRA coverage can cancel the coverage in the event that he or she obtains a new job that provides similar benefits.

You can review and revise COBRA coverage information for a specific qualified beneficiary, or you can review information for all beneficiaries that meet search criteria. The Coverage Review program (P08922) allows you to maintain coverage information for a qualifying event that is associated with a specific COBRA qualified beneficiary.

► To select COBRA coverage for a participant

On the Daily Processing menu (G05BCOB2), choose Coverage Selection.

Participant Address	Participant Name	Related Employee	Related Employee Name	Qualified Event Description	Qualified Event Date	Election Status	Election Status Description
6070 Toth, Stefan	6070 Toth, Stefan	6070 Toth, Stefan	6070 Toth, Stefan	Work Hour Reduction	02/19/02	W	Coverage Waived
6071 Ishita, Narumi	6071 Ishita, Narumi	6071 Ishita, Narumi	6071 Ishita, Narumi	Termination of Employment	02/18/02	E	Plan Elected
6072 Toth, Catherine	6070 Toth, Stefan	6070 Toth, Stefan	6070 Toth, Stefan	Work Hour Reduction	02/19/02	W	Coverage Waived
6073 Ishita, Hiroshi	6071 Ishita, Narumi	6071 Ishita, Narumi	6071 Ishita, Narumi	Termination of Employment	02/18/02	E	Plan Elected
6075 Ishita, Yuki	6071 Ishita, Narumi	6071 Ishita, Narumi	6071 Ishita, Narumi	Termination of Employment	02/18/02	E	Plan Elected

- On Work With COBRA Coverage Selection, complete the following field, and then click Find:
 - Participant Address
- To waive COBRA coverage for this participant, click Waive COBRA Coverage.

Note

When you click Waive COBRA Coverage, you waive coverage for all plans in which the participant is eligible to elect coverage, and the Waived Date column is completed with the system date. You can override the system date by entering a date in the Date COBRA Coverage Waived field.

You receive the following pop-up message when you click Waive COBRA Coverage:

You are about to waive COBRA Coverage for the selected participant

If you wish to continue, press OK and all the plans for this participant and qualified event will be waived

If you do not wish to continue, press Cancel

- On Warning - Waive COBRA Coverage, click OK.

- To select COBRA coverage for a participant, choose a record, and then choose Coverage Selection from the Row menu.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation

Coverage Selection - COBRA Coverage Selection

Participant Address: 6071 Ishita, Narumi
 Qualifying Event: TM Termination of Employment
 Date of Qualifying Event: 02/18/02 Last Date to Elect: 04/23/02
 Related Employee: 6071 Ishita, Narumi Elected Total Amount: 202.53

Status Date: 03/08/02 Elect Plan Terminate Plan

	Election Status	Plan	Option	Coverage Period	Total Due	Union Code	Elected Date	Rejected Date	Terminated Date	Termination Reason	Begin Date
<input checked="" type="checkbox"/>	Plan Rejected	DENTAL	DP	18	43.40			02/19/02			02/19/02
<input type="checkbox"/>	Plan Rejected	DENTAL	EE	18	19.09			02/19/02			02/19/02
<input type="checkbox"/>	Plan Elected	DENTAL	FAM	18	47.83		02/19/02				02/19/02
<input type="checkbox"/>	Plan Rejected	DENTAL	ONE	18	43.40			02/19/02			02/19/02
<input type="checkbox"/>	Plan Rejected	MED		18	125.97			02/19/02			02/19/02
<input type="checkbox"/>	Plan Elected	MED+FAM		18	154.70		02/19/02				02/19/02
<input type="checkbox"/>	Plan Rejected	MED+ONE		18	133.70			02/19/02			02/19/02
<input type="checkbox"/>	Unprocessed										

- On COBRA Coverage Selection, the detail area displays all of the plans for which the participant is eligible. Choose a plan and click Elect Plan to specify your coverage selection.

When you click Elect Plan, all other related plans are rejected. For example, when you elect the plan MED with the option EE Only, the other plans that relate to MED are automatically rejected, and the system completes the Rejected Date field with the system date. Therefore, the plan MED with the option EE + 1 and the plan MED with the option EE + Family will be rejected.

- Repeat Step 5 for each plan that you want to select, and then click OK.

► **To review or revise COBRA coverage for a participant**

From the Periodic Processing menu (G05BCOB3), choose Coverage Review.

- On Work With Elected COBRA Coverage, complete the following fields and then click Find:
 - Participant Address
 - Related Employee Address
 - Plan ID

- Option
 - COBRA Coverage Begins
 - COBRA Coverage Ends
2. To revise coverage information for a participant, choose a record in the detail area and choose Coverage Revisions from the Row menu.

The screenshot shows the PeopleSoft interface for 'Coverage Review - COBRA Coverage Revisions'. The form is titled 'Active Foundation' and includes a 'Coverage Information' tab. The 'Coverage Information' tab contains the following fields:

Premium Amount	46.89	COBRA Coverage Begins	02/19/02
Handling Charge Amount	0.94	COBRA Coverage Expires	08/18/03
Coverage Period	18	Months	
Related Employee Address	6071	Ishita, Narumi	

Other fields in the form include:

- Participant Address: 6071, Ishita, Narumi
- Qualifying Event: TM, Termination of Employment
- Date Of Qualifying Event: 02/18/02
- Plan ID: DENTAL, Dental Insurance
- Additional Option: FAM, Employee + Family
- Union Code: .

3. On COBRA Coverage Revisions, you can review or change coverage information in the detail area of the form. When you change the date that COBRA coverage begins, you receive a warning message that states that changing this date will update the records for all plans associated with this participant. Click OK to continue or Cancel if you do not want to update all records for the date COBRA coverage begins.
4. Complete the following fields on the Coverage Information tab as needed:
- Premium Amount
 - Handling Charge Amount
 - Coverage Period
 - COBRA Coverage Begins

When you complete the COBRA Coverage Begins field and press the Tab key to move out of the field, a message informs you that you are about to change the COBRA coverage expiration dates. Click OK to continue or Cancel to cancel. When you click OK, the system automatically calculates the new date that the COBRA coverage expires.

5. Complete the following fields on the Administrative Information tab, as needed:
 - Premium Balance Due
 - Handling Charge Due
 - Date Last Paid
 - Number Payments Received
6. Click OK to save the changes.

► **To terminate COBRA coverage for a participant**

On the Daily Processing menu (G05BCOB2), choose Coverage Selection.

1. On Work With COBRA Coverage Selection, complete the following field, and then click Find:
 - Participant Address
2. Choose a record and click Select.
3. On COBRA Coverage Selection, to terminate COBRA coverage for this participant, click Terminate Plan.

Note

The Terminate Plan button appears on the form only after a payment has been entered for the coverage. When a payment is entered, the system hides the Reject Plan button and replaces it with the Terminate Plan button.

4. On Termination Reason, complete the following field and click OK:
 - Termination Reason
5. Repeat steps 2 through 4 for each plan option that you want to terminate.

Entering COBRA Payments

Qualified beneficiaries are generally required to pay for COBRA coverage. The initial premium payment is typically required within 45 days after the date of the COBRA election by the qualified beneficiary. The premium costs are generally fixed in advance of each annual premium cycle, but might increase from year to year as costs to the plan increase.

You enter all payments received from COBRA beneficiaries for elected coverage. When the amount of the payment check equals the amount of the payment due, you enter the payment in the Payments program (P08994). The payment record updates the Number of Payments Made and Number of Payments Remaining fields in the COBRA Coverage table (F08920).

When the amount of the payment check is greater than the amount of the payment due, you enter the payment and then void the check. You can contact the participant, return the check, and request a new check for the correct amount. When you receive the new check for the correct amount, you enter the payment as you would any regular payment.

When the amount of the payment check is less than the amount of the payment due, you still enter the payment, but the system does not know how to apply the payment to the premiums due and cannot update the COBRA Coverage table (F08920). When this happens, you must contact the participant and determine how to apply the payment. After you enter the payment in the Payments program (P08994), you manually update the number of payments in the Coverage Review program (P08922). This entry then updates the COBRA Coverage table (F08920).

► **To enter COBRA payments**

On the Daily Processing menu (G05BCOB2), choose Payments.

1. On Work With COBRA Received Payments, click Add.

The screenshot shows the PeopleSoft interface for 'Payments - COBRA Payment Revisions'. The form is titled 'Active Foundation' and includes a 'Personalize' button, a 'Change Role' button, and a 'Sign Out' button. The form is divided into two main sections: 'COBRA Participant' and 'Check Information'. The 'COBRA Participant' section includes fields for 'COBRA Participant' (6071), 'Ishita, Narumi', 'Qualifying Event 1' (TM), 'Termination of Employment', 'Qualifying Event Date' (02/18/02), 'Balance Due', and 'Monthly Premium' (202.52). The 'Check Information' section includes fields for 'Check Number' (1833), 'COBRA Check Date' (03/22/02), 'Amount of Check' (202.52), 'COBRA Check Arrival Date' (03/28/02), 'Account Number' (13213211), 'Bank Transit Number' (102000018), 'First Interstate', and 'Administrator Comment' (Payment received on time). The form also has 'OK', 'Cancel', and 'Tools' buttons at the top left.

2. On COBRA Payment Revisions, complete the following required fields:

- COBRA Participant
- Check Number
- Amount of Check
- Bank Transit Number
- Administrator Comment

Use the Administrator Comment field to indicate the status of payment, such as paid in full or partial payment.

3. Complete the following fields as needed, and then click OK:

- Account Number
 - COBRA Check Date
 - COBRA Check Arrival Date
4. If the amount entered is different from the amount due, click OK on Payment Amount.
 5. To enter a partial payment, repeat steps 1 through 4.

When the check amount is less than the payment amount due, the system does not automatically update the COBRA Coverage table (F08920) when you enter the payment. You must manually add the payment using the Coverage Review program (P08922).

► **To void a COBRA payment check**

On the Daily Processing menu (G05BCOB2), choose Payments.

1. On Work With COBRA Received Payments, complete the following field and then click Find:
 - COBRA Participant
2. Choose a record and choose Void Check from the Row menu.
3. On Void Confirmation, click OK.

When you void a check for an amount equal to the total amount due, the system updates the COBRA Coverage table (F08920) by decreasing the number of payments received and increasing the number of payments remaining.

4. If the payment amount is different from the due amount, click OK on Payment Amount.

► **To delete a COBRA payment check**

On the Daily Processing menu (G05BCOB2), choose Payments.

1. On Work With COBRA Received Payments, complete the following field and click Find:
 - COBRA Participant
2. Choose a record and click Delete.
3. On Confirm Delete, click OK.

When you delete an accepted check for an amount equal to the total amount due, the system updates the COBRA Coverage table (F08920) by decreasing the number of payments received and increasing the number of payments remaining. When you delete a voided check in an amount equal to the total amount due, the system does not update the COBRA Coverage table.

Reviewing the COBRA Print Election

From the Daily Processing menu (G05BCOB2), choose Print Election Form.

The COBRA Print Election Form report (R089204) lists all plans and plan options that a participant is eligible to receive, as well as the cost for each plan. Mail this form with the COBRA notification letter so that the participant can make coverage selections from the form. You can also use the report to compare plans and plan options with the COBRA notification letter in order to ensure accuracy.

Processing Options for the COBRA Print Election Form (R089204)

Display Tab

These processing options specify the DBA detail information that appears on the form and the effective date for premium and handling fees.

1. Coverage DBA details and charges.

Blank = All DBA details and charges are displayed

1 = DBA details (DBA number and description) are omitted

2 = DBA details, Premium Charges, and Handling Charges are omitted

Use this processing option to specify which DBA details and charges appear on the form. Valid values are:

Blank

All DBA details and charges appear.

1

DBA details (DBA number and description) are omitted.

2

DBA details, premium charges, and handling charges are omitted.

2. Enter an Effective Date to print new Premium and Handling charges. Blank will print the current records.

Use this processing option to select which Premium and Handling charges are displayed. Valid values are:

Blank

Current records are displayed

Any Valid Date

New Premium and Handling charges are calculated and displayed

Tracking COBRA Notification History

The Notification History program (P089106) allows you to track the following two types of notification to participants:

- An initial COBRA notice that informs employees and dependents of their rights under COBRA law if they experience a qualifying event sometime in the future
- A qualifying event letter that explains to employees and their dependants their rights under the law that are specific to the qualifying event that has occurred

Tracking COBRA notification history is a critical element of the administration procedures. You use the Notification History program to document compliance with COBRA law. Failure to comply with this law can expose employers to significant liabilities. Plan administrators that fail to comply with notification requirements can be fined \$100 a day per individual, and they might also be liable for past and future medical expenses, as well as legal fees.

► To track COBRA notification history

From the Periodic Processing menu (G05BCOB3), choose Notification History.

1. On Work With COBRA Notification History, click Add.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation

Personalize Change Role Sign Out

Notification History - Notification History Revisions

OK Cancel Tools

Participant Address *Ishita, Narumi*

Qualifying Event *Termination of Employment*

Qualifying Event Date

Date Mailed

COBRAMailing Number

Address Mailed To

2. On Notification History Revisions, complete the following required fields:
 - Participant Address
 - Qualifying Event
 - Qualifying Event Date
3. Complete the following fields as needed:
 - Date Mailed
 - COBRAMailing Number
 - Address Mailed To
4. Click OK.

Reviewing the Dependent Coming of Age Report (R089205)

From the Periodic Processing menu (G05BCOB3), choose Dependent Coming Of Age.

The Dependent Coming of Age report lists dependents that have reached the age when they are no longer eligible for regular benefits coverage. This age is determined by the criteria that you set up in the processing options.

This report includes data from the following tables:

- Participant file (F08901)

- Dep/Ben to Employee Plan X-Reference (F08336)
- Employee Master Information (F060116)
- Address Book – Contact Phone Numbers (F0115)

You must run this program in final mode to create a Dependent Coming of Age qualified event. Simply recording the dependent's birth date in the beneficiary table does not automatically trigger a qualified event when the dependent comes of age. Because this program does not read the event rules, you do not need to set up an event rule for Dependent Coming of Age.

Though the report uses processing options rather than event rules, you must still set up an event constant for DC – Dependent Child in order to define coverage periods and verify that the Send COBRA Letter To Employee option is turned off.

When you run this program, you must also add data selection for Beneficiary Relationship to Employee (BENA) that is equal to the values that you set up in UDC 08/RL for Child or Foster or Step Child. (Generally, these values are C for Child and F for Foster or Step Child). This data selection excludes young spouses that are within the age range of dependent children from being included in the processing.

Processing Options for Dependent Coming of Age report (R089205)

Select Tab

These processing options specify age and qualifying event parameters for the report.

1. Enter Coming of Age for Dependents

Use this processing option to indicate the age that defines the legal age (coming of age) of a dependent. When a dependent turns this age, and is not a student, he/she is no longer eligible to be part of an employee's benefits. The dependent may be eligible to pay the premiums for these benefits as part of the U.S. COBRA federal laws.

2. Enter Maximum Age for Dependents

Use this processing option to define the maximum age of a dependent. When a dependent turns this age, and is or is not a student, he/she is no longer eligible to be part of an employee's benefits. The dependent may be eligible to pay the premiums for these benefits as part of the U.S. COBRA federal laws.

3. Select COBRA Qualified Event for Coming of Age

Use this processing option to indicate the COBRA qualifying event that is associated with a dependent coming of age. Valid values are:

BK

Employer's Bankruptcy

DC

Dependent Child Status

DH

Death

DV

Divorce or Legal Separation

HR

Work Hour Reduction

MC

Medicare Eligibility

TM

Termination of Employment

Process Tab

This processing option specifies whether the process runs in proof or final mode.

2. Choose whether to run the report in proof or update mode.

blank or 0 = Proof

1 = Update

Use this option to specify whether the report will be run in Proof or Final mode. Valid values are:

Blank or 0

Proof Mode. The user may verify the results for accuracy, but no tables are updated.

1

Final Mode. Records are updated in the COBRA Qualified Beneficiary File (F08910) and COBRA Coverage table (F08920).

Reviewing the Election Coverage by Type Report (R089201)

From the Periodic Processing menu (G05BCOB3), choose Election Coverage By Type.

Review the Election Coverage by Type report to identify all types of coverage that are available for a qualified beneficiary.

This report includes data from the following tables:

- COBRA Coverage (F08920)
- Benefits Plan Master (F08320)
- Plan Additional Options (F083202)

Reviewing the Election Coverage by Beneficiary Report (R089203)

From the Periodic Processing menu (G05BCOB3), choose Election Coverage By Beneficiary.

Review the Election Coverage by Beneficiary report to determine all of the plans and plan option coverages that a dependent or beneficiary has chosen. Depending on the processing options that you choose, this report can also list the plans that the dependent or beneficiary did not elect for COBRA coverage.

Processing Options for the Election Coverage by Beneficiary Report (R089203)

Display Tab

This processing option specifies the coverage information that appears on the report.

1. Display Option

Blank = Coverages not elected will be displayed.

1 = Elected coverages will be displayed.

Use this processing option to specify the types of coverages that will be displayed. Valid values are:

Blank

The coverages not elected by the beneficiary will be displayed.

1

The coverages elected by the beneficiary will be displayed.

Reviewing the Elected Plan Premium Report (R089202)

From the Periodic Processing menu (G05BCOB3), choose Elected Plan Premium.

The Elected Plan Premium report provides a list of premiums for all plans and plan options that a participant elected for COBRA coverage. You can also use this report as a tool for COBRA compliance analysis. The report is based on data from the COBRA Coverage table (F08920).

Processing Options for the Elected Plan Premium Report (R089202)

Display Tab

This processing option specifies the coverage information that appears on the report.

1. Display Option

Blank = All fields are displayed

1 = DBA details (DBA number and description) are omitted

2 = DBA details and From and Thru dates are omitted

Use this processing option to specify which fields appear on the Election Coverage by Beneficiary report (R089203). Valid values are:

Blank

All fields appear.

1

DBA details (DBA number and description) are omitted.

2

DBA details and from and through dates are omitted.

Reviewing COBRA Payments

From the Periodic Processing menu (G05BCOB3), choose Payments.

The Payments report (R08994) lists all COBRA payments received and compares the payments with their amounts due and payment due dates. Information in the report is based on data in the COBRA Coverage (F08920) and COBRA Payment History (F08994) tables.

Reviewing the Received Payment Report (R089941)

From the Periodic Processing menu (G05BCOB3), choose Received Payments.

The Received Payment report provides a list of all payments received that do not match the amount due for that participant.

Reviewing the General Constants Report (R089909)

From the Periodic Processing menu (G05BCOB3), choose General Constants.

After you set up the General Constants program (P08990), you can use this report to print the general constants setup information, including effective dates, coverage information, and grace periods.

Processing Options for the General Constants Report (R089909)

Process Tab

These processing options specify the general constants appear on the report, according to effective date.

1. Effective Date

Blank = Today's Date

Use this processing option to enter the effective date to be used for company constant selection. Only the company constants that are active as of the effective date will be reported. If left blank, the current system date defaults in the field.

2. Report All Company Constants

Blank = Print Active Constants Based On Effective Date

1 = Print All General Constants

Use this processing option to report all company constants regardless of effective date. A default of blank will print only those company constants active on the effective date defined in processing option 1. Valid values are:

Blank

Report only those company constants active on the effective date defined in processing option 1.

1

Report all company constants regardless of effective date.

Reviewing the Qualifying Events Constants Report (R089919)

From the Periodic Processing menu (G05BCOB3), choose Qualified Event Constants.

After you set up information in the Qualifying Event Constants program (P08991), you can use this report to print a copy of them.

COBRA Setup

Before you can use any features of the COBRA administration system, you must verify that settings in the Plan Master program (P08320) are activated for COBRA. On the Plan Master form, (W08320A), verify that the COBRA Plan option is turned on for the plans that are available for COBRA coverage. Then, on the U.S. Legislative/Regulatory form (W059116UB), verify that the Valid for Cobra option is turned on for all DBAs that are used for COBRA administration.

When setting up COBRA, you need to define critical information that the system uses for processing. You need to set up the following types of information:

- COBRA general constants
- COBRA qualifying event constants
- COBRA qualifying event rules

COBRA legislation allows state, county, and local (city) tax authorities to overrule federal provisions regarding COBRA benefits, provided that the changes represent an increase in the level of benefits that is offered. The system uses residential tax area information as the basis for benefits. The residential tax area information code is a code that identifies a geographical location and the tax authorities for the employee's residence. This code is synonymous with GeoCode.

A GeoCode is a nine-digit code that represents a taxing jurisdiction. All GeoCodes are defined and maintained by Vertex. Each GeoCode has the following format:

XXYYYZZZZ

where

XX = State

YYY = County

ZZZZ = City

When choosing the residential tax area information to use as the basis of calculation for benefits, the system searches first for a match on the city, county, *and* state. If such a match is found, the search ends and the system uses the tax information associated with the designated city as the basis of calculation for benefits. If no match is found, the system then searches for a match on just the county and state, and so on.

After the system establishes a match within the hierarchy of the residential tax area, it begins another search to determine whether the company has increased the level of benefits offered at the company level or the home business unit. The system searches first for a match on both the company and home business unit. If such a match is found, then the system uses the home business unit information to establish the level of benefits. If no match is found, the system searches for information at the company level only. The system uses the highest level of benefits recorded by searching first through the qualifying event constants and then through the general constants information as a basis of calculation.

For current legislative information regarding COBRA administration, contact your regional or district office of the Pension and Welfare Benefits Administration for the U.S. Department of Labor.

See Also

- ❑ *Setting Up Benefit Plans* in the *Human Resources – Benefits Guide* for more information about verifying that the COBRA Plan option is turned on for the plans that are available for COBRA coverage
- ❑ *Setting Up Tax Information* in the *Workforce Management Foundation Guide* for complete instructions for setting up tax area information
- ❑ *Assigning GeoCodes to Address Book Records* in the *Interface for Vertex Quantum for Sales and Use Tax* for complete information about the formatting of Vertex GeoCodes

Activating Automated COBRA Administration

Before you use the features of the COBRA system, you activate the Use Automated COBRA Administration function. When this function is activated, the system uses information from updated fields in the Employee Master Information table (F060116) to automate hidden functions for COBRA administration.

When the Automated COBRA Administration function is activated and changes are made to any of the employee master programs, the system performs a test to determine whether the employee or the employee's dependents qualifies for COBRA. When an individual qualifies for COBRA, the system creates records in the COBRA Qualified Beneficiary File table (F08910) and COBRA Coverage table (F08920). When a subsequent qualifying event is triggered, the system creates records in the COBRA Subsequent Qualified Event Info. table (F089101).

Before You Begin

- ❑ Verify that the Workforce Management options are set up to track employee history. See *Setting Up System Options* in the *Workforce Management Foundation Guide* for more information about setting up employee history tracking.

► To activate automated COBRA administration

From the Compensation Mgmt System Setup menu (G08CM14), choose HRM Common Settings.

1. On Work With HRM Common Display Settings, click Add.
2. On OneWorld System Control - Revisions, type UCR in the Data Item field.
3. Turn on the Yes option to use automated COBRA administration, and click OK.

Using COBRA Workflow

When you activate automated COBRA administration, you initiate a workflow process that prompts the administrator to send the COBRA letter. The workflow process starts when a qualifying event or subsequent qualifying event is entered and the Employee Master Information table (F060116) and Employee Master Additional Information File table (F060120) are updated. These tables have table triggers that initiate the workflow process.

The workflow process first searches the COBRA Qualified Beneficiary File table (F08910) and the COBRA Subsequent Qualified Event Info. table (F089101) for a date in the Date

Printed field. If the COBRA letter has not been printed, the system sends a workflow message to the COBRA administrator's work center in the Priority Mail queue.

After the COBRA notification message has been sent to the administrator, the workflow process is idle for one day. When the process resumes, the system again searches the tables for a date in the Date Printed field. If the COBRA letter has not yet been printed, another workflow message is generated and sent to the administrator's supervisor, and the workflow process is idle for another day. This process repeats daily, sending a notification to the next higher supervisor until either the COBRA letter is printed or there are no more supervisors.

See Also

- ❑ *Activating Automated COBRA Administration in the Human Resources – Benefits for the United States Guide*
- ❑ *Messages and Queues in the Foundation Guide* for more information about workflow messages

Setting Up COBRA General Constants

You set up COBRA general constants to supply default information to fields that are related to COBRA compliance at the company level. You use COBRA general constants to maintain compliance information, as well as enrollment criteria for qualified participants.

► To set up COBRA general constants

From the *COBRA Setup* menu (G05BCOB1), choose *General Constants*.

1. On *Work With COBRA General Constants*, click *Add*.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

General Constants - COBRA General Constants

OK Cancel Form Tools

Company: 00000 J.D. Edwards & Company

Home Business Unit:

Tax Area (Residential):

Effective From: 01/01/02 Effective Thru: 12/31/10

Coverage Information Grace Periods Other Information

Regular Employee

Coverage Period: 18 Months

Administrative Fee: 2.00 Admin Fee Method: % Percent

Disabled Employee

Coverage Period: 29 Months

Administrative Fee: 2.00 Admin Fee Method: % Percent

Dependent

Coverage Period: 36 Months

Administrative Fee: 2.00 Admin Fee Method: % Percent

Construct COBRA Coverage: 3 Use both.

2. On COBRA General Constants, complete the following required field:
 - Effective From
3. Choose the Coverage Information tab, and complete the following field for Regular employee coverage information:
 - Admin Fee Method
4. Complete the following fields for Disabled employee coverage information:
 - Coverage Period
 - Administrative Fee
 - Admin Fee Method
5. Complete the following fields for Dependent coverage information:
 - Coverage Period
 - Administrative Fee
 - Admin Fee Method
6. Complete the following required field to specify how the system retrieves information in order to construct COBRA coverage:
 - Construct COBRA Coverage

J.D. Edwards recommends using both benefits administration and group plan records to construct COBRA coverage.

PeopleSoft®

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

General Constants - COBRA General Constants

OK Cancel Form Tools

Company 00000 J.D. Edwards & Company

Home Business Unit

Tax Area (Residential)

Effective From 01/01/02 Effective Thru 12/31/10

Coverage Information **Grace Periods** Other Information

Election Period 60 Days

Initial Payment Due 45 Days

Additional Payment Due 30 Days

Mail Notice to Convert 180 Days

7. To enter constant information relating to the grace period for payment of COBRA premiums, choose the Grace Periods tab, and complete the following fields:
 - Election Period
 - Initial Payment Due
 - Additional Payment Due
 - Mail Notice to Convert

The screenshot shows the PeopleSoft interface for 'General Constants - COBRA General Constants'. The 'Other Information' tab is active, displaying the following fields:

Company	00000	J.D. Edwards & Company
Home Business Unit		
Tax Area (Residential)		
Effective From	01/01/02	Effective Thru 12/31/10
COBRA Document Name	COBRA	COBRA Self-Administration Ltr
HIPAA Document Name	HIPAA	HIPAA Certificate
COBRA Plan Admin. Address	2049	McLind, Rod
COBRA Telephone Number	303-334-4000	
COBRA Additional Information URL	http://www.dol.gov/dol/topic/health-plans/cobra.htm	
<input checked="" type="checkbox"/> Automatic Update after Qualifying Event		

8. To maintain the document name for the company's initial COBRA notification letter and HIPAA letter, choose the Other Information tab, and complete the following required fields:
 - COBRA Document Name
 - HIPAA Document Name
9. Complete the following fields to enter COBRA contact information:
 - COBRA Plan Admin. Address
 - COBRA Telephone Number
 - COBRA Additional Information URL

10. If you want the system to automatically update the COBRA Qualified Beneficiary File table (F08910), the Subsequent Qualified Event Info table (F089101), or both after a qualifying event occurs, click the following option to turn it on:

- Automatic Update after Qualifying Event

Turn off this option if you do not want to automatically administer COBRA for a particular group.

11. Click OK.

Setting Up COBRA Qualifying Event Constants

You set up COBRA qualifying event constants to supply default information to fields related to COBRA compliance at the company level. You use the COBRA qualifying event constants to maintain qualifying event constant information for employees and beneficiaries who are enrolled in COBRA.

Before You Begin

- Verify that you have set up a qualifying event constant for dependent child in the Qualifying Event Constants program (P08991). The constant that you set up must define coverage periods, and the Send COBRA letter to Employee option should be turned off.

► To set up COBRA qualifying event constants

From the COBRA Setup menu (G05BCOB1), choose Qualifying Event Constants.

1. On Work With Qualifying Event Constants, click Add:

The screenshot shows the PeopleSoft interface for setting up COBRA Qualifying Event Constants. The window title is "Qualifying Event Constants - Qualifying Event Constants". The form is divided into several sections:

- Qualifying Event:** TM (Termination of Employment)
- Company:** 00000 (J.D. Edwards & Company)
- Home Business Unit:** (Empty)
- Tax Area (Res.):** (Empty)
- Effective From:** 01/01/02
- Effective Through:** 12/31/10

Below this, there are three sections for coverage information, each with a "Coverage Period" and "Administrative Fee" field, and a "Percent" field for the "Admin Fee Method":

- Regular Employee:** Coverage Period: 18 Months; Administrative Fee: 2.00; Admin Fee Method: %
- Disabled Employee:** Coverage Period: 29 Months; Administrative Fee: 2.00; Admin Fee Method: %
- Dependent:** Coverage Period: 18 Months; Administrative Fee: 2.00; Admin Fee Method: %

2. On Qualifying Event Constants complete the following field:
 - Qualifying Event

3. Choose the Coverage Information tab, and complete the following fields for Regular Employees:
 - Regular Coverage Period
 - Regular Administrative Fee
 - Regular Admin. Fee Method

4. Complete the following fields for Disabled Employees:
 - Disabled Coverage Period
 - Disabled Administration Fee
 - Disabled Admin. Fee Method

5. Complete the following fields for Dependent coverage information:
 - Coverage Period
 - Dependent Administrative Fee
 - Dependent Admin Fee Method

The screenshot shows the PeopleSoft interface for the 'Active Foundation' workspace. The main window is titled 'Qualifying Event Constants - Qualifying Event Constants'. It contains a form with the following fields:

Qualifying Event	TM	Termination of Employment
Company	00000	J.D. Edwards & Company
Home Business Unit		
Tax Area (Res.)		
Effective From	01/01/02	Effective Through 12/31/10

Below this is the 'Coverage Information' tab, which includes a 'Grace Periods' section with the following fields:

Election Period	60	Days
Initial Payment Due	45	Days

At the bottom of the 'Coverage Information' section, there is a checkbox labeled 'Send COBRA Letter To Employee' which is checked.

6. Choose the Grace Periods tab, and complete the following fields:

- Election Period
- Initial Payment

You use this information to automatically calculate the due dates for the COBRA election period and initial payment.

7. If you want to send the COBRA letter to the employee after a qualifying event has occurred, click the following option to turn it on:

- Send COBRA Letter To Employee

You disable this option for some qualifying events. For example, in the event of the employee's death, you would not want to mail the COBRA letter to the employee. In the event of divorce, you would want to mail the COBRA letter to the employee's spouse, rather than to the employee. You also turn off the Send COBRA Letter To Employee option for the Dependent Coming of Age and Medicare events.

8. Click OK.

9. Repeat steps 2 through 8 for all Qualifying Event codes.

Setting Up COBRA Qualifying Event Rules

After you have set up constants, you set up COBRA qualifying event rules to link changes within an employee's personal data to COBRA qualifying events. The system reads the qualifying event rules to determine whether any changes in the employee record constitute a COBRA qualifying event. You need to set up qualifying event rules when you use automated COBRA administration. The notifications for the following COBRA qualifying events can be automated by setting up qualifying event rules:

- Death
- Divorce or legal separation
- Termination of employment
- Work hour reduction

When you make changes to related fields in the Employee Master Information table (F060116) and you have set up qualifying event rules, the system updates the following tables:

- F08910 - COBRA Qualified Beneficiary File
- F08920 - COBRA Coverage
- F089101 - COBRA Subsequent Qualified Event Info.

To track employee eligibility for Medicare, you can set up an Employee Master category code to identify Medicare employees. You must then set up an event rule for that category code that triggers a qualified event if the employee begins receiving Medicare. When setting up the event constant for Medicare, turn off the Send COBRA Letter To Employee option.

► **To set up COBRA qualifying event rules**

From the COBRA Setup menu (G05BCOB1), choose *Qualifying Event Rules*.

1. On Work With COBRA Qualifying Event Rules, click Add:

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Qualifying Event Rules - COBRA Qualifying Event Rules Revisions

OK Delete Cancel Form Tools

Qualifying Event Termination of Employment

Type Of Information Employee Master Information

Company J.D. Edwards & Company

Business Unit

Tax Area (Res.)

Effective From Effective Thru

	Line Number	And/Or	Based On Data Item	Data Item Description	Evaluation Operator	Operator Description	Value	Value Description
<input checked="" type="checkbox"/>	1.00	AND	TRS	ChangeReason	<=>	Not Equal To	TC	Termination with Cause
<input type="checkbox"/>	2.00	AND	PAST	EmployeePayStatus	=	Equal To	T	Terminated
<input type="checkbox"/>	3.00	OR	PAST	EmployeePayStatus	=	Equal To	9	Terminated, Last Check
<input type="checkbox"/>	4.00	OR	PAST	EmployeePayStatus	=	Equal To	L	Layoff

2. On COBRA Qualifying Event Rules Revisions, complete the following required fields:

- Qualifying Event
- Type Of Information
- Company
- Effective From

3. Complete the following fields, as desired:

- Business Unit
- Tax Area (Res.)
- Effective Thru

4. To add or edit the qualifying event rule associated with a qualifying event, complete the following fields, as necessary, and then click OK:

- Line Number

- And /Or
 - Based On Data Item
 - Evaluation Operator
 - Value
5. Repeat steps 1 through 4 for each qualifying event code.

Note

For each qualifying event code except divorce, you complete the Type Of Information field with an E. The E specifies information that is used to create a rule that tests data item columns in the Employee Master Information table (F060116). For divorce, you complete the Type Of Information field with an O. The O specifies information that is used to create a rule that tests data item columns in the Employee Master Additional Information File table (F060120). Specifically, in the event of divorce, the type of information needed is marital status, which is stored in the Employee Master Additional Information File table.

UDC 06/MS does not have a value for divorce. You can set up a new UDC value for divorce in this table, or you can attach a new UDC table for marital status (data item MSA).

Setting Up COBRA Plan Premium Amounts

Before you can enroll employees in COBRA, you must set up the benefit plans that your company offers and assign the DBAs that integrate the benefit plan with the Payroll system. You can set up COBRA plan premium amounts for benefit plans without options, benefit plans with options, or unions.

Before You Begin

- ❑ Set up the benefit plans that your company offers and assign the DBAs that integrate the benefit plans with the Payroll system. See *Setting Up Benefit Plans* in the *Human Resources – Benefits Guide*.

Calculating COBRA Plan Premium Amounts for Benefit Plans without Options

You set up COBRA plan premium amounts in the Plan Master program (P08320). The premium amounts that you set up on the Calc./Eligibility tab of form W08320A are used to calculate the COBRA plan premium that appears in the Coverage Review program (P08922) and the COBRA Coverage Selection program (P08921). COBRA plan premiums for benefit plans without options are calculated in one of the following three ways:

1. If a DBA appears in the EE Payroll Deduction field, place your cursor in this field and choose Plan Rates from the Form menu. On Plan Master Rates Window, complete the Type field with a C (indicating COBRA), and then complete the amount and date fields in the detail area.

Caution

The amount field represents the COBRA rate for the selected plan multiplied by the pay frequency for the selected individual. It also includes the administration fee.

When creating COBRA Coverage records, if the system finds a COBRA Plan Premium Amount for the EE Payroll Deduction field, it includes that amount, and only that amount, in the calculation. If other COBRA amounts are set up for the remaining DBA fields on the Plan Master form (W08320A), the system omits these amounts.

2. If the system does not find a COBRA amount for the EE Payroll Deduction field as described previously, the system searches for COBRA amounts on the other DBAs. You can also set up COBRA amounts for the ER Paid Benefit, EE Flex Cost, and ER Flex Credits fields. You set up COBRA amounts for these fields in the same manner that you set up a COBRA amount for the EE Payroll Deduction field.
-

Note

The COBRA amounts for the ER Paid Benefit, EE Flex Cost, and EE Flex Credits fields are summed up. If no COBRA amount has been set up for a particular field, the system does not use that field in the calculation.

3. If no valid COBRA amounts exist for the EE Payroll Deduction, ER Paid Benefit, EE Flex Cost, and ER Flex Credits fields, the system sums up the regular benefit DBA calculations.

Calculating COBRA Plan Premium Amounts for Benefit Plans with Options

The calculations for benefit plans with options are similar to the calculations for benefit plans without options. However, a plan with options also uses the option rule fields in the Plan Master Options program (P083202). COBRA plan premiums for benefit plans with options are calculated in one of the following three ways:

1. If a DBA appears in the EE Payroll Deduction field on the Plan Master form (W083203A), or a DBA appears in the Payroll Ded DBA field on the Plan Master Options form (W083202A), you can place your cursor in the field and choose Plan Rates from the Row menu. On the Plan Master Rates Window, complete the Type field with a C (indicating COBRA), and then complete the amount and date fields in the detail area. The COBRA plan premium amount that is calculated is based on the value in the Payroll Ded – Option Rule field and whether the user set up a COBRA amount.

For example, if the option rule is 1, the system searches for a COBRA amount that is set up for the plan in the EE Payroll Deduction field. If the option rule is 3, the system searches for a COBRA amount that is set up for the option in the Payroll Ded DBA field. If the option rule is 2, the system looks for a COBRA amount for either field. If a COBRA amount is found, the system sums up the amounts for the DBA fields.

Note

If the option rule is 2, and a COBRA amount is set up for only one of the DBAs, the system adds that COBRA amount to the regular benefit DBA calculations of the other DBA.

2. If the system does not find a COBRA amount for the EE Payroll Deduction field or the Payroll Ded DBA field as described previously, the system searches for COBRA amounts on the other DBAs.
-

Note

Option rules are important for calculating the COBRA amount. Based on the option rules and the corresponding DBA fields, valid COBRA amounts are summed. If no COBRA amount is found for a particular field and a particular option rule, the system does not use the field in the calculation.

3. If no COBRA amounts are found for any of the DBA fields, the system sums the regular benefit DBA calculation for each set of DBAs.

► To set up COBRA plan premium amounts for unions

From the Pay/Deductions/Benefits Setup menu (G05BD4), choose Group Plan DBA Setup.

1. On Work With Group Plan DBA Setup, click Find.
2. Choose the desired record and then choose COBRA Override Rate from the Row menu.
3. On COBRA Union DBA Override Rates, complete the following field and click OK:
 - Amount or Rate

Nondiscrimination Testing

Many companies offer 401(k) plans for contributions in retirement investment plans. Frequently, the company provides a partial, or matching, contribution for each dollar that the employee contributes to the plan. The government defers the taxes due for the amounts contributed to and earned by 401(k) plans until the employee withdraws money from the plan.

The tax advantages that are available to a qualified plan are contingent upon the plan covering an adequate cross-section of the sponsoring employer's employees. To determine whether a plan meets this requirement, you can perform a number of objective tests that measure the extent to which a plan benefits employees.

The following terms apply to nondiscrimination testing:

<p>Highly-compensated employee (also called HCE or key employee)</p>	<p>An employee who meets at least one of the following criteria:</p> <ul style="list-style-type: none"> • Owned a specified percentage of the company at any time during the determination year or the look-back year • Received compensation in excess of a specified amount during the look-back year and, at the election of the employer, is a member of the top-paid group during the look-back year.
<p>Nonhighly-compensated employee (also called NHCE or nonkey employee)</p>	<p>An employee who does not meet at least one of the following criteria:</p> <ul style="list-style-type: none"> • Owned a specified percentage of the company at any time during the determination year or the look-back year • Received compensation in excess of a specified amount during the look-back year and, at the election of the employer, is a member of the top-paid group during the look-back year.
<p>Actual deferral percentage (ADP)</p>	<p>The average amount of money deferred into a plan and allocated to the employees' accounts. This amount is expressed as a percentage of the employees' compensation.</p>
<p>Actual contribution percentage (ACP)</p>	<p>The average amount of employer-matching funds and employee post-tax contributions to a plan. This amount is expressed as a percentage of the employees' total compensation.</p>

Determination year	The 12-month period from January 1 through December 31 of the current testing year.
Look-back year	The 12-month period from January 1 through December 31 of the year prior to the testing year.

You use Nondiscrimination tests to compare the treatment of highly-compensated employees to the treatment of employees who are not highly compensated. Nondiscrimination tests ensure that highly-compensated employees do not take substantially greater advantage of the tax savings of a 401(k) plan than lower-paid employees.

In nondiscrimination testing for 401(k) plans, the first of two major components that determine plan status is the ADP, which is calculated per employee, per annum. The ADP of the nonhighly-compensated group determines the maximum ADP of the highly-compensated group. In general, the highly-compensated group can have a slightly higher ADP than the nonhighly-compensated group, but if it is too high, the plan is discriminatory and excess deferrals must be returned to the highly-compensated group.

The second major component is the ACP. You apply the ACP test in the same manner as the ADP test to measure the amounts that the employer contributed and allocated to employees' accounts.

A plan might be *disqualified* if it is discriminatory. When a plan is disqualified, the following events occur:

- Some or all of the employer's income tax deduction for contributions made to the plan are disallowed
- The employee's income and tax deferrals are lost
- The interest earned on employer and employee contributions loses its tax deferral

In addition to the 401(k)-related tests, you can review the NDT - 415 Nondiscrimination Testing report (R083676). This report identifies all employees, on a pay-period by pay-period basis, who have withheld more on a pretax basis than the government allows.

The Nondiscrimination Reporting program (P083600) groups together all of the tasks associated with nondiscrimination testing, and provides access to these tasks through a centralized point of entry that functions like a workbench. The workbench also provides you with a visual representation of current and historical test scenarios, the results of the tests, and the various stages of a current testing process. You can link to the Payroll system to review and verify the test results that relate to employee- and employer-related plan contributions and employee compensation.

This guide is not intended as a replacement for the legal requirements of nondiscrimination testing. A federal statute called the Employee Retirement Income Security Act (ERISA) governs nondiscrimination testing. You should be familiar with the regulations and mandates provided through ERISA in administering nondiscrimination testing. The U.S. Department of Labor's Pension and Welfare Benefits Administration, together with the Internal Revenue Service (IRS), provide statutory regulation for ERISA.

Setting Up Nondiscrimination Testing

Before you can use the nondiscrimination testing features of your Human Resources system, you need to define the critical information that the system uses for processing. You set up this information to meet the specific needs of your organization.

Working With User Defined Codes for Nondiscrimination Testing

The user defined codes defined in the following sections are specific to the Nondiscrimination Testing feature of the J.D. Edwards Human Resources - Benefits system.

Test Name Codes for Nondiscrimination Testing (08/TN)

You use test name codes (UDC table 08/TN) to name the various nondiscrimination tests. Each test uses a different set of rules to segregate groupings of key and nonkey employees.

Compensation and Contribution PDBA Tables (08/TU)

You use UDC table 08/TU to set up names for pay type, deduction, benefit, and accrual (PDBA) tables that relate to compensation and contributions. The table names allow you to define ranges of PDBAs that govern employee compensation and both employee and employer contributions. You use these tables and the associated PDBAs to determine employee compensation, ranking, and average contribution percentage (ACP), as well as to determine the employer contribution, ranking, and average deferral percentage (ADP).

Test Category Codes for Nondiscrimination Testing (08/EC)

You use test category codes for nondiscrimination testing (UDC table 08/EC) to review category codes from the Employee Master Information table (F060116) that relate to nondiscrimination testing. You can change the descriptions associated with the codes, but not the codes themselves.

See Also

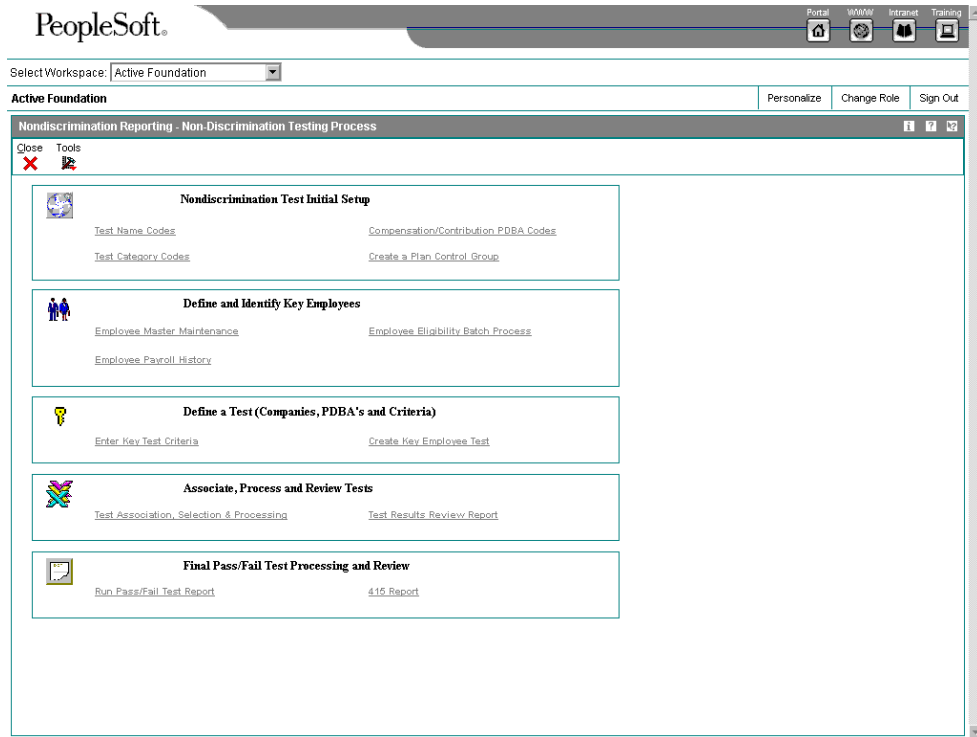
- ❑ *User Defined Codes* in the *Foundation Guide* for complete instructions for setting up user defined codes

Creating a Plan Control Group

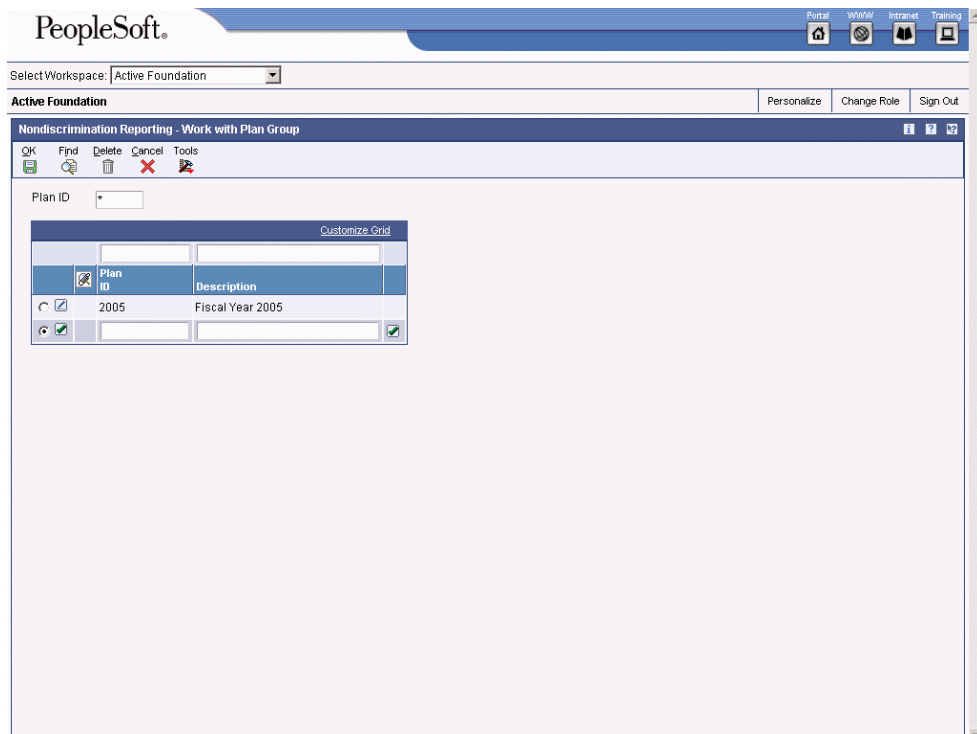
You create a plan control group to track the nondiscrimination tests that you complete as a group, typically by year. You can track the tests by calendar year or fiscal year.

► **To create a plan control group**

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting.



1. On Non-Discrimination Testing Process, choose Create a Plan Control Group from the Nondiscrimination Test Initial Setup section.



2. On Work with Plan Group, complete the following fields and click OK:
 - Plan ID
 - Description

Defining and Identifying Key Employees

To ensure that companies comply with governmental regulations, you must run nondiscrimination tests to identify key, or highly-compensated employees. A highly-compensated employee is one who meets at least one of the following criteria:

- Owned a specified percentage of the company at any time during the determination year or the look-back year
- Received compensation in excess of a specified amount during the look-back year and, at the election of the employer, is a member of the top-paid group during the look-back year

You review and audit employee information and payroll history information in the process of determining key employees. For example, you can review information in the Employee Master Information table (F060116) to determine whether the employee is an officer.

Maintaining Employee Information for Nondiscrimination Testing

You can access the Employee Master Information table (F060116) to update employee information that is relevant to nondiscrimination testing, such as owner or officer status.

Verifying Employee Payroll History for Nondiscrimination Testing

You can access employee payroll history from the Nondiscrimination Reporting program (P083600) to review payroll information that identifies the highly-compensated employees in the organization.

See Also

- *Reviewing PDBA History* in the *Payroll Guide* for more information about employee payroll history

Reviewing the NDT – Determine Eligibility by Hours Report

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting. On Non-Discrimination Testing Process, choose Employee Eligibility Batch Process from the Define and Identify Key Employees section.

To review the number of hours that an employee works during a specific time period, run the NDT – Determine Eligibility By Hours report (R08364). You must run this report when a company establishes a specific number of hours that an employee must work before the employee can participate in the 401(k) plan. You can first run the report in proof mode to review a list of employees whose records will be updated. Then, you can run the report in final mode to update those employee records in the Employee Master Information table

(F060116). When you run the report in final mode, you update the category code K008 in the Employee Master Information table.

Caution

Do not run this report during payroll processing. The program calculates values based on payroll history. If you run this report during payroll processing, the results will be inaccurate.

Processing Options for NDT – Determine Eligibility by Hours (R08364)

Default

Enter the minimum number of hours an employee must work to be eligible for your 401(k) plan.
REQUIRED

Enter the name of the pay type table to retrieve pay types from. This is the pay type table defined in the DBA Pay Types Tables program. ***REQUIRED***

Enter the From and Through dates for the plan year to be considered. If left blank, time from the current year will be used.

From Date (mm/dd/yy)

Through Date (mm/dd/yy)

Proof or Final Mode

- 0 - Proof Mode
(No update to Employee Master)
- 1 - Final Mode
(Update to Employee Master)

Blank will run report in Proof Mode

Defining a Test

Governmental regulations prohibit highly-compensated employees from taking unfair advantage of 401(k) contributions. To determine which employees are highly-compensated, you must first set up the criteria that the system uses to differentiate between highly-compensated and nonhighly-compensated employees.

Note

Several acronyms appear frequently in documentation regarding nondiscrimination testing. For example, HCE is an acronym for highly-compensated employee, and ADP/ACP is an acronym for average deferral percentage divided by average contribution percentage.

You might need to run multiple tests to determine which employees are highly-compensated. Versions of the most common tests are included in the J.D. Edwards demo data so that they are already set up for you. These tests include:

Top 20% – Look Back Year	This test identifies the top 20% compensated employees in an organization during the previous year.
Highly Compensated Employee – Look Back Year	This test identifies last year's highest-paid employee.
Top 20% – Determination Year	This test identifies the top 20% compensated employees in an organization for the current year.
Top 100 – Determination Year	This test identifies this year's 100 highest-paid employees.
Top 10 – Determination Year	This test identifies this year's ten highest-paid employees.
Highly Compensated Employee – Determination Year	This test identifies this year's highest-paid employee.
ADP/ACP Test Calculations	This test accumulates the results of all previous tests for the current year.

In defining a test, you set the selection criteria for the Employee Master Information table (F060116) and Employee Transaction History Summary table (F06146). You also identify the criteria that identify highly-compensated employees.

Before You Begin

- Verify that you have set up:
 - Test name codes for nondiscrimination testing
 - Compensation/contribution PDBA codes (08/TU - DBA Pay Type Tables)
 - Test category codes (08/EC - Nondiscrimination Test Codes)
 - Plan control group

Entering Key Test Criteria

Governmental regulations prohibit highly-compensated employees from taking unfair advantage of 401(k) contributions. To determine highly-compensated employees, you must first set up the criteria that the system uses to differentiate between highly-compensated and nonhighly-compensated employees.

You define the employees, PDBAs, and companies that will be used as the criteria for nondiscrimination testing. This program uses the following tables:

- Employee Master Information (F060116)
- Employee Transaction History Summary (F06146)
- User Defined Code Types (F0004)
- User Defined Codes (F0005)
- NDT – Company Selection Criteria (F08367)
- DBA Pay Type Tables (F083931)
- NDT – Criteria Heading (F08365)
- NDT – Key Employee Detail (F08366)

► **To enter key test criteria**

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting.

1. On Non-Discrimination Testing Process, choose Enter Key Test Criteria from the Define a Test (Companies, PDBA's and Criteria) section.
2. On Work With Test, click Add.

PeopleSoft

Select Workspace: Active Foundation

Active Foundation Personalize Change Role Sign Out

Nondiscrimination Reporting - Define Test Criteria

OK Delete Cancel Form Tools

Test Name: TOP%DY Test Description: Top 20% Determination Year
 Test Year/Basis: 2005 1 Calendar yr all compensation
 Number of Years Tested: 1

Total Compensation Table: GROS EE Gross Compensation
 Employee/Employer Contribution Table: CONT Plan Contribution

And/Or	Compensation Limit	Top Pd	M T	Description	NDT Code	NDT Code Description	NDT Code Value	NDT Value Description
AND		20	%	Top pd is a %age off EEs	K004	Determination Year-T		

3. On Define Test Criteria, complete the following required fields:

- Test Name
- Test Year/Basis

- Code - Compensation Basis
 - Total Compensation Table
 - Employee/Employer Contribution Table
4. Complete the following fields in the combinations that you require for your organization:
- And /Or

When you choose And, the system requires that an employee pass both criteria records that you enter. When you choose Or, the system requires that an employee pass only one criteria record. The system default is And.
 - Compensation Limit
 - Top Pd
 - M T
 - Description
 - NDT Code
 - NDT Code Description
 - NDT Code Value
 - NDT Value Description
- For example, you can enter criteria for Compensation Limit And Top Pd based on rank, or Compensation Limit And Top Pd based on percentage. Alternatively, you can enter criteria for Compensation Limit Or NDT Code. You cannot, however, combine Compensation Limit And NDT Code.
5. To specify the companies that you want included in this test, choose Company Selection from the Form menu.
6. On Company Selection Overrides, complete the following field and click OK:
- Co
- Leave this field blank to include all companies in the test.
7. On Define Test Criteria, choose Pay Type Table from the Form menu to define the compensation or contribution tables and associate pay types to them.
8. On Work With PDDBA Table for NDT, click Add.
9. On PDDBA Tables for NDT, complete the following fields and click OK:
- Pay Type Table
 - From Trans
 - Thru Trans

10. On Work With PDBA Table for NDT, click Close.

11. On Define Test Criteria, click OK.

Reviewing Historical Test Data

You can review the results of previous nondiscrimination tests. You might want to compare the results of a particular test from year to year, or compare the results of various tests within the same year. Government regulations allow some flexibility in how the nondiscrimination tests are performed. By reviewing the results of various tests, you can choose the testing method that works best for your organization.

► To review historical test data

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting.

1. On Non-Discrimination Testing Process, choose Enter Key Test Criteria from the Define a Test (Companies, PDBA's and Criteria) section

2. On Work with Test, complete the following fields and click Find:

- Test Name
- Test Year

The system completes the detail area with historical data for the specified nondiscrimination test, test year, or both.

3. To review the criteria for a specific test, choose the test and choose Define Criteria from the Row menu.

Reviewing the NDT – Determine Key Employees Report (R08365)

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting. On Non-Discrimination Testing Process, choose Create Key Employee Test from the Define a Test (Companies, PDBA's and Criteria) section.

The tests that you use to determine key (highly-compensated) employees are versions of the NDT – Determine Key Employees batch program (R08365) that use the key criteria that you defined earlier. The test versions define which test you are using and whether it is for the determination year or look-back year.

You might need to run multiple tests to determine which employees are highly-compensated.

Processing Options for NDT – Determine Key Employees (R08365)

Dates:

1. If the Test Year is NOT calendar, enter the Beginning and Ending Fiscal period dates:

Date - Effective From

Date - Effective Thru

Compensation Information:

1. Enter a '1' to NOT print the employee Compensation Amount. Default of a blank will print the Compensation Amounts:

2. Compensation Amount, enter the maximum eligibility compensation amount accrued:
Category Code Information:

1. Enter the value to identify the Owner/Officer (NDT Code 1).
2. Enter the value to identify the Determination Yr. Top 10 (NDT Code 6).
3. Enter the Employee Master NDT Code to be updated with this version (K001 - K010).
4. Enter the new Employee NDT Code Value for the Code above.
5. Clear the Employee Master NDT Code before Update.
Track NDT History

1. Would you like to track Nondiscrimination Test History
(Blank = 0)

Processing Nondiscrimination Tests

After you have defined the nondiscrimination tests, you group and process the tests and review the test results.

The Test Association, Selection & Processing program (P083601P) groups the nondiscrimination tests that you have defined and provides access to these tests through a centralized point of entry that functions like a workbench. You can use this workbench to run tests in the order that best suits the needs of your organization. You can review and analyze reports that show the results of the tests. If the results do not meet your needs, you can change the order of the tests or perform additional tests.

The workbench also provides a visual representation of current and historical test scenarios, the results of the tests, and the various stages of a current testing process.

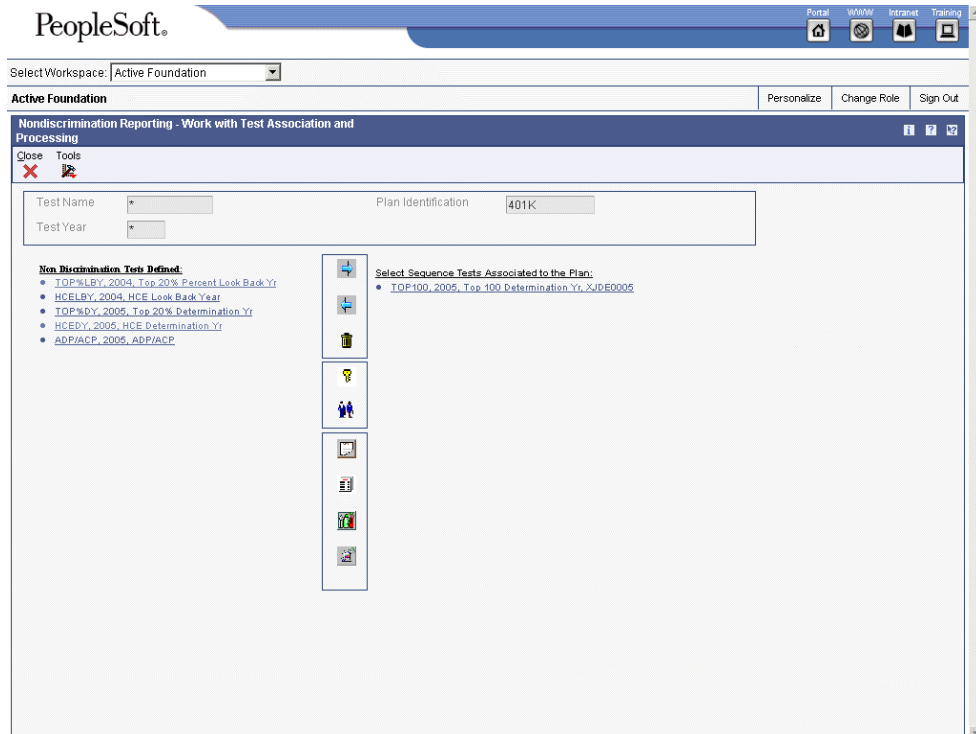
Before You Begin

- Verify that you have defined the various nondiscrimination tests that you will be using. See *Entering Key Test Criteria* in the *Human Resources – Benefits for the United States Guide*.

► To process a nondiscrimination test

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting.

1. On Non-Discrimination Testing Process, choose Test Association, Selection & Processing from the Associate, Process and Review Tests section.



2. On Work with Test Association and Processing, complete the following field and then click Find:
 - Plan Identification

The system displays the tests that you have previously defined in the Non Discrimination Tests Defined section (left side of the form). This side of the form is for view only; you cannot complete any functions from this side. You must first transfer selected tests to the Select & Sequence Tests Associated to the Plan section (right side of the form).

The middle section of the form displays a vertical row of icons that perform the following functions:

- Add a Test
 - Remove a Test
 - Delete (All) Selected Tests
 - Enter Key Test Criteria
 - Test Results Review
 - Submit the Selected Report
 - Submit All Plan Reports
 - Create a Version
 - Submitted Jobs
3. To set up the test format, choose the test on the left side of the form, and then click the Add a Test icon.

You can choose one test or multiple tests. The system prompts you to choose one of the versions that you set up earlier.

4. To remove a test from the testing sequence, choose the test on the right side of the form and click the Remove a Test icon.

The system returns the test to the left side of the form but does not delete the test from the system.

5. To delete a test, choose the test from the right side of the form and click the Delete (All) Selected Tests icon.

Caution

If you do not choose a test from the right side of the form and you click the Delete (All) Selected Tests icon, you will delete all the tests on the right side of the form from the system.

6. To process one or more tests, complete one of the following:
 - To process a single test, choose the test on the right side of the form and click the Submit the Selected Report icon.
 - To process all the tests that you have added to the right side of the form, click the Submit All Plan Reports icon.

The system processes the tests in the sequence in which they appear.

- i. On Report Output Destination, choose one of the following options and click OK:

- On Screen
- To Printer
- Export to CSV

7. To change or complete setup procedures, choose a test from the right side of the form and use the Enter Key Test Criteria and Create a Version icons.

Note

When you set up nondiscrimination testing, you entered key test criteria and created versions. See *Entering Key Test Criteria* and *Reviewing the NDT – Determine Key Employees Report (R08365)* in the *Human Resources – Benefits for the United States Guide* for more information.

8. To review test results, choose the test and click the Test Results Review icon.
 - a. On Work with Employee Test Results, review the information in the detail area, and then click Close.
9. To review the processing status of the submitted tests, click the Submitted Jobs icon.
 - a. On Work With Servers, choose the batch program and Click Select.
 - b. On Submitted Job Search, review the value in the following field:

- Status
- c. If the job is complete, choose the record in the detail area and then choose View PDF from the Row menu to review the results.

Reviewing Test Results

You can review the results of each nondiscrimination test to identify compliance issues.

► To review test results

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting.

1. On Non-Discrimination Testing Process, choose Test Results Review Report from the Associate, Process and Review Tests section.

The screenshot displays the PeopleSoft interface for reviewing test results. At the top, there is a search form with two dropdown menus: 'Test Name' and 'Test Year'. Below the search form is a data grid showing 10 records. The grid has the following columns: Test Name, Test Year, Address Number, Employee Tax ID, Employee Name, Co, Co, Employee Rank, Wages Earned, and Benefits Included. The first record is selected, showing details for ADP/ACP in 2005 for employee Walters, Annette.

Test Name	Test Year	Address Number	Employee Tax ID	Employee Name	Co	Co	Employee Rank	Wages Earned	Benefits Included
ADP/ACP	2005	2008	523785321	Walters, Annette	00001	Financial/Distribution C	7	8,375.13	
ADP/ACP	2005	2049	204920492	McLind, Rod	00001	Financial/Distribution C	11	5,711.48	
ADP/ACP	2005	2111	211121112	Ingram, Paul	00001	Financial/Distribution C	12	5,562.46	
ADP/ACP	2005	2428	242824282	Escalante, George	00001	Financial/Distribution C	13	2,326.80	
ADP/ACP	2005	2479	247924792	Ellis, Jody A.	00001	Financial/Distribution C	10	6,156.00	
ADP/ACP	2005	5127	577123142	Ebby, Chester	00001	Financial/Distribution C	9	6,249.87	
ADP/ACP	2005	6002	476438269	Abbott, Dominique	00001	Financial/Distribution C	5	9,499.87	
ADP/ACP	2005	6077	607760776	Marcheso, Dominic	00001	Financial/Distribution C	15	620.00	
ADP/ACP	2005	6078	607860786	Aiken, Gwen	00001	Financial/Distribution C	16	520.00	
ADP/ACP	2005	6832	683268328	Ato, Connie	00001	Financial/Distribution C	14	1,471.12	

2. On Work With Employee Test Results, complete the following fields, and then click Find:
 - Test Name
 - Test Year

Reviewing the 401(k) Discrimination Results Report (R083675)

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting. On Non-Discrimination Testing Process, choose Run Pass/Fail Test Report.

After you run the test to determine key employees and the test that calculates the average deferral percentage divided by the average contribution percentage (ADP/ACP), you run the 401(k) Discrimination Results report (R083675) to determine compliance with governmental regulations for qualified plans.

The 401(k) Discrimination Results program (R083675) performs two tests. In the first test, the ADP/ACP of the nonhighly-compensated employees is multiplied by the factor that you entered in the first processing option. If the ADP/ACP of the highly-compensated employees is less than the result, your organization passes the test, and the report indicates that the highly compensated employees are not overly contributing to a 401(k) plan.

The second test has two parts. To meet the government requirements for nondiscrimination testing, your organization must pass both parts of the second test.

The first part of the second test multiplies the ADP/ACP of the nonhighly-compensated employees by the factor that you entered in the second processing option. If the ADP/ACP of the highly-compensated employees is less than the result, the report results indicate that the highly-compensated employees are not overly contributing to a 401(k) plan.

The second part of the second test adds the ADP/ACP of the nonhighly-compensated group to the factor that you entered in the third processing option. If the ADP/ACP of the highly-compensated employees is less than the result, the report results indicate that the highly-compensated employees are not overly contributing to a 401(k) plan.

Note

Data selection for this test must be based on the ADP/ACP test for the test year.

Processing Options for 401(k) Discrimination Results Report (R083675)

Default Tab

These processing options specify the default values for the tests that the report performs.

Enter the multiplier related to the first test.

Use this processing option to specify the multiplier related to the first test.

Enter the multiplier related to the second test.

Use this processing option to specify the multiplier related to the second test.

Enter the factor related to the second test.

Use this processing option to specify the factor related to the second test.

Enter a '1' to NOT print employee number and employee name. Default of blank WILL print the employee number and employee on the report.

Use this processing option to specify whether to print the employee name and number. The default of blank will print the name and number.

Running the NDT - 415 Nondiscrimination Testing Report (R083676)

From the Government Reporting menu (G05BG), choose Nondiscrimination Reporting. On Non-Discrimination Testing Process, choose 415 Report from the Final Pass/Fail Test Processing and Review section.

Governmental regulations specify the maximum percentage that an employee can contribute to deferred plans. To identify employees who contribute more to their deferred plan than the government allows, run the NDT - 415 Nondiscrimination Testing report. You can print or view the report and review the results each pay period to ensure that all employees remain in compliance. You should run this report after pre-payroll processing is complete.

Processing Options for NDT - 415 Nondiscrimination Testing Report (R083676)

Defaults Tab

This processing option specifies the version to use for the NDT - 415 Nondiscrimination Testing report.

1. Enter the year (CCYY) to use when selecting history records from F06146. If left blank, the year from the system date will be used.

Use this processing option to enter the year (CCYY) to use when selecting history records from the F06146 file. If left blank system date will be used.
