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PeopleSoft Enterprise Pension Administration 9.0 PeopleBook

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About This PeopleBook Preface

PeopleSoft Enterprise PeopleBooks provide you with the information that you need to implement and use PeopleSoft Enterprise applications from Oracle.

This preface discusses:

- PeopleSoft Enterprise application prerequisites.
- Application fundamentals.
- Documentation updates and printed documentation.
- Additional resources.
- Typographical conventions and visual cues.
- Comments and suggestions.
- Common elements in PeopleBooks.

Note. PeopleBooks document only elements, such as fields and check boxes, that require additional explanation. If an element is not documented with the process or task in which it is used, then either it requires no additional explanation or it is documented with common elements for the section, chapter, PeopleBook, or product line. Elements that are common to all PeopleSoft Enterprise applications are defined in this preface.

PeopleSoft Enterprise Application Prerequisites

To benefit fully from the information that is covered in these books, you should have a basic understanding of how to use PeopleSoft Enterprise applications.

You might also want to complete at least one introductory training course, if applicable.

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

These books do not review navigation and other basics. They present the information that you need to use the system and implement your PeopleSoft Enterprise applications most effectively.

Application Fundamentals

Each application PeopleBook provides implementation and processing information for your PeopleSoft Enterprise applications.

For some applications, additional, essential information describing the setup and design of your system appears in a companion volume of documentation called the application fundamentals PeopleBook. Most product lines have a version of the application fundamentals PeopleBook. The preface of each PeopleBook identifies the application fundamentals PeopleBooks that are associated with that PeopleBook.

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The application fundamentals PeopleBook consists of important topics that apply to many or all PeopleSoft Enterprise applications. Whether you are implementing a single application, some combination of applications within the product line, or the entire product line, you should be familiar with the contents of the appropriate application fundamentals PeopleBooks. They provide the starting points for fundamental implementation tasks.

Documentation Updates and Printed Documentation

This section discusses how to:

- Obtain documentation updates.
- Download and order printed documentation.

Obtaining Documentation Updates

You can find updates and additional documentation for this release, as well as previous releases, on Oracle's PeopleSoft Customer Connection website. Through the Documentation section of Oracle's PeopleSoft Customer Connection, you can download files to add to your PeopleBooks Library. You'll find a variety of useful and timely materials, including updates to the full line of PeopleSoft Enterprise documentation that is delivered on your PeopleBooks CD-ROM.

Important! Before you upgrade, you must check Oracle's PeopleSoft Customer Connection for updates to the upgrade instructions. Oracle continually posts updates as the upgrade process is refined.

See Also

Oracle's PeopleSoft Customer Connection, http://www.oracle.com/support/support_peoplesoft.html

Downloading and Ordering Printed Documentation

In addition to the complete line of documentation that is delivered on your PeopleBook CD-ROM, Oracle makes PeopleSoft Enterprise documentation available to you via Oracle's website. You can:

- Download PDF files.
- Order printed, bound volumes.

Downloading PDF Files

You can download PDF versions of PeopleSoft Enterprise documentation online via the Oracle Technology Network. Oracle makes these PDF files available online for each major release shortly after the software is shipped.

See Oracle Technology Network, http://www.oracle.com/technology/documentation/psftent.html.

Ordering Printed, Bound Volumes

You can order printed, bound volumes of selected documentation via the Oracle Store.

See Oracle Store, http://oraclestore.oracle.com/OA_HTML/ibeCCtpSctDspRte.jsp?section=14021

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Additional Resources

The following resources are located on Oracle's PeopleSoft Customer Connection website:

Resource	Navigation
Application maintenance information	Updates + Fixes
Business process diagrams	Support, Documentation, Business Process Maps
Interactive Services Repository	Support, Documentation, Interactive Services Repository
Hardware and software requirements	Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Hardware and Software Requirements
Installation guides	Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Installation Guides and Notes
Integration information	Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Pre-Built Integrations for PeopleSoft Enterprise and JD Edwards EnterpriseOne Applications
Minimum technical requirements (MTRs)	Implement, Optimize + Upgrade; Implementation Guide; Supported Platforms
Documentation updates	Support, Documentation, Documentation Updates
PeopleBooks support policy	Support, Support Policy
Prerelease notes	Support, Documentation, Documentation Updates, Category, Release Notes
Product release roadmap	Support, Roadmaps + Schedules
Release notes	Support, Documentation, Documentation Updates, Category, Release Notes
Release value proposition	Support, Documentation, Documentation Updates, Category, Release Value Proposition
Statement of direction	Support, Documentation, Documentation Updates, Category, Statement of Direction
Troubleshooting information	Support, Troubleshooting
Upgrade documentation	Support, Documentation, Upgrade Documentation and Scripts

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Typographical Conventions and Visual Cues

This section discusses:

- Typographical conventions.
- Visual cues.
- Country, region, and industry identifiers.
- Currency codes.

Typographical Conventions

This table contains the typographical conventions that are used in PeopleBooks:

Typographical Convention or Visual Cue	Description
Bold	Indicates PeopleCode function names, business function names, event names, system function names, method names, language constructs, and PeopleCode reserved words that must be included literally in the function call.
Italics	Indicates field values, emphasis, and PeopleSoft Enterprise or other book-length publication titles. In PeopleCode syntax, italic items are placeholders for arguments that your program must supply. We also use italics when we refer to words as words or letters as letters, as in the following: Enter the letter *O*.
KEY+KEY	Indicates a key combination action. For example, a plus sign (+) between keys means that you must hold down the first key while you press the second key. For ALT+W, hold down the ALT key while you press the W key.
`Monospace font`	Indicates a PeopleCode program or other code example.
“ ” (quotation marks)	Indicate chapter titles in cross-references and words that are used differently from their intended meanings.
. . . (ellipses)	Indicate that the preceding item or series can be repeated any number of times in PeopleCode syntax.
{ } (curly braces)	Indicate a choice between two options in PeopleCode syntax. Options are separated by a pipe (|).

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Typographical Convention or Visual Cue	Description
[ ] (square brackets)	Indicate optional items in PeopleCode syntax.
& (ampersand)	When placed before a parameter in PeopleCode syntax, an ampersand indicates that the parameter is an already instantiated object. Ampersands also precede all PeopleCode variables.

Visual Cues

PeopleBooks contain the following visual cues.

Notes

Notes indicate information that you should pay particular attention to as you work with the PeopleSoft Enterprise system.

Note. Example of a note.

If the note is preceded by *Important!,* the note is crucial and includes information that concerns what you must do for the system to function properly.

Important! Example of an important note.

Warnings

Warnings indicate crucial configuration considerations. Pay close attention to warning messages.

Warning! Example of a warning.

Cross-References

PeopleBooks provide cross-references either under the heading "See Also" or on a separate line preceded by the word *See.* Cross-references lead to other documentation that is pertinent to the immediately preceding documentation.

Country, Region, and Industry Identifiers

Information that applies only to a specific country, region, or industry is preceded by a standard identifier in parentheses. This identifier typically appears at the beginning of a section heading, but it may also appear at the beginning of a note or other text.

Example of a country-specific heading: "(FRA) Hiring an Employee"

Example of a region-specific heading: "(Latin America) Setting Up Depreciation"

Country Identifiers

Countries are identified with the International Organization for Standardization (ISO) country code.

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Region Identifiers

Regions are identified by the region name. The following region identifiers may appear in PeopleBooks:

- Asia Pacific
- Europe
- Latin America
- North America

Industry Identifiers

Industries are identified by the industry name or by an abbreviation for that industry. The following industry identifiers may appear in PeopleBooks:

- USF (U.S. Federal)
- E&G (Education and Government)

Currency Codes

Monetary amounts are identified by the ISO currency code.

Comments and Suggestions

Your comments are important to us. We encourage you to tell us what you like, or what you would like to see changed about PeopleBooks and other Oracle reference and training materials. Please send your suggestions to your product line documentation manager at Oracle Corporation, 500 Oracle Parkway, Redwood Shores, CA 94065, U.S.A. Or email us at appsdoc@us.oracle.com.

While we cannot guarantee to answer every email message, we will pay careful attention to your comments and suggestions.

Common Elements Used in PeopleBooks

As of Date	The last date for which a report or process includes data.
Business Unit	An ID that represents a high-level organization of business information. You can use a business unit to define regional or departmental units within a larger organization.
Description	Enter up to 30 characters of text.
Effective Date	The date on which a table row becomes effective; the date that an action begins. For example, to close out a ledger on June 30, the effective date for the ledger closing would be July 1. This date also determines when you can view and change the information. Pages or panels and batch processes that use the information use the current row.

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Once, Always, and **Don't Run**	Select Once to run the request the next time the batch process runs. After the batch process runs, the process frequency is automatically set to Don't Run. Select Always to run the request every time the batch process runs. Select Don't Run to ignore the request when the batch process runs.
Process Monitor	Click to access the Process List page, where you can view the status of submitted process requests.
Report Manager	Click to access the Report List page, where you can view report content, check the status of a report, and see content detail messages (which show you a description of the report and the distribution list).
Request ID	An ID that represents a set of selection criteria for a report or process.
Run	Click to access the Process Scheduler request page, where you can specify the location where a process or job runs and the process output format.
SetID	An ID that represents a set of control table information, or TableSets. TableSets enable you to share control table information and processing options among business units. The goal is to minimize redundant data and system maintenance tasks. When you assign a setID to a record group in a business unit, you indicate that all of the tables in the record group are shared between that business unit and any other business unit that also assigns that setID to that record group. For example, you can define a group of common job codes that are shared between several business units. Each business unit that shares the job codes is assigned the same setID for that record group.
Short Description	Enter up to 15 characters of text.
User ID	An ID that represents the person who generates a transaction.

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PeopleSoft Enterprise Pension Administration Preface

This preface discusses:

- PeopleSoft Products.
- PeopleSoft Enterprise HRMS Application Fundamentals.
- PeopleBook structure.

PeopleSoft Products

This PeopleBook refers to the following PeopleSoft product: PeopleSoft Enterprise Pension Administration.

PeopleSoft Enterprise HRMS Application Fundamentals

Additional, essential information describing the setup and design of your system appears in a companion volume of documentation called *PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook.* Each PeopleSoft product line has its own version of this documentation.

Note. One or more pages in Pension Administration operate in deferred processing mode. Deferred processing is described in the preface in the *PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*.

PeopleBook Structure

PeopleSoft PeopleBooks follow a common structure. By understanding this structure, you can use this PeopleBook more efficiently.

The PeopleBooks structure conveys a task-based hierarchy of information. Each chapter describes a process that is required to set up or use the application. Chapter sections describe each task in the process. Subsections within a section describe a single step in the process task.

Some PeopleBooks may also be divided into parts. PeopleBook parts can group together similar implementation or business process chapters within an application or group together two or more applications that integrate into one overall business solution. When a book is divided into parts, each part is divided into chapters.

The following table provides the order and descriptions of chapters in a PeopleBook:

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Chapters	Description
Preface	This is the chapter you're reading now. It explains: • How to use the Application Fundamentals book. • How PeopleBooks are structured. • Common elements used in the PeopleBook, if necessary.
Getting Started With…	This chapter discusses product implementation guidelines. It explains: • The business processes documented within the book. • Integrations between the product and other products. • A high-level guide to how our documentation maps to the overall implementation process; it doesn't offer step-by-step guidance on how to perform an actual implementation.
Navigation	(Optional) Some PeopleSoft applications provide custom navigation pages that contain groupings of folders that support a specific business process, task, or user role. When an application contains custom navigation pages, this chapter provides basic navigation information for these pages. **Note.** Not all applications have delivered custom navigation pages.
Understanding…	(Optional) This is an introductory chapter that broadly explains the product and the functionality within the product.
Setup and Implementation	This can be one or more chapters. These chapters contain documentation to assist you in setting up and implementing the product. For example, if functionality X is part of a product, this chapter would be devoted to explaining how to set up functionality X, not necessarily how to use functionality X. You would look to the corresponding business process chapter to learn how to use the functionality. **Note.** There may be times when a small amount of business process information is included in a setup chapter if the amount of business process documentation was insufficient to create a separate section in the book.

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Chapters	Description
Business Process	This can be one or more chapters. These chapters contain documentation that addresses specific business processes with each chapter generally devoted to a specific functional area. For example, if functionality X is part of a product, this chapter would be devoted to explain how the functionality works, not necessarily how to set up functionality X. You would look to the corresponding setup and implementation chapter to learn how to set up the functionality. **Note.** There may be times when a small amount of setup and implementation information is included in a business process chapter if the amount of setup and implementation documentation was insufficient to create a separate chapter in the book.
Appendixes	(Optional) If the book requires it, one or more appendixes might be included in the book. Appendixes contain information considered supplemental to the primary documentation.
Delivered Workflow Appendix	(Optional) The delivered workflow appendix describes all of the workflows that are delivered for the application. **Note.** Not all applications have delivered workflows.
Reports Appendix	(Optional) This appendix contains an abbreviated list of all of the product's reports. The detailed documentation on the use of these reports is usually included in the related business process chapter.

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CHAPTER 1

Getting Started with Pension Administration

This chapter discusses:

- Pension Administration overview.
- Pension Administration business processes.
- Pension Administration integrations.
- Pension Administration implementation.

Pension Administration Overview

Pension Administration supports a range of functions necessary for day-to-day and periodic pension administration requirements. It is designed specifically for U.S. defined benefit plans, including qualified and nonqualified, contributory, final pay, career average, and cash balance plans. The system supports the administration of multiple plans, both active and frozen.

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

The system assumes that a third-party trustee determines tax withholding and calculates and prints the final pension checks. A trustee extract provides the trustee with the necessary payment information.

Pension Administration Business Processes

Pension Administration provides these business processes:

- Set Up Administration Information.
- Administer Active Employees.
- Calculate Benefits.
- Administer Payees.

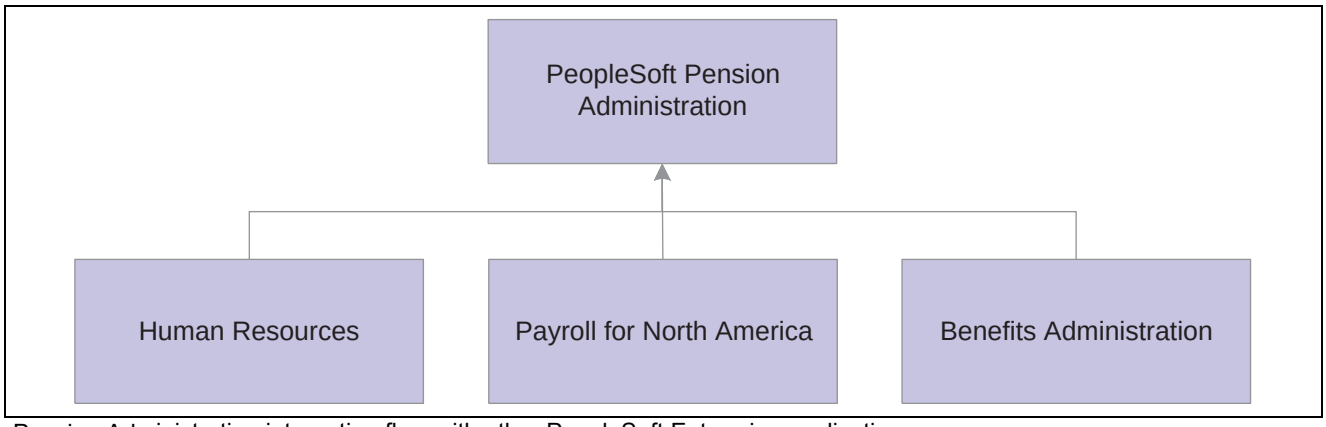
The business process chapters in this PeopleBook discuss the business processes.

Note. The business processes listed above are a sample. Actual implementation may include additional business processes.

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Pension Administration Integrations

Pension Administration integrates with the following PeopleSoft Enterprise applications:



Pension Administration integration flow with other PeopleSoft Enterprise applications

Pension Administration enables centralizing all aspects of pension plan administration. It is no longer necessary to spend time collecting and consolidating data before performing pension calculations. With Pension Administration, all pension data is stored and maintained in one place. When integrated with PeopleSoft Enterprise Human Resources, Payroll, and Benefits Administration, all applications work together for maximum efficiency of time and resources. If other PeopleSoft applications are not used, Pension Administration can still be used as a standalone application by loading data from existing applications into the PeopleSoft integrated database for use by the Pension Administration system.

This PeopleBook discusses integration considerations.

Pension Administration Implementation

PeopleSoft Setup Manager enables you to generate a list of setup tasks for your organization based on the features that you are implementing. The setup tasks include the components that you must set up, listed in the order for which you must enter data in the component tables, and links to the corresponding PeopleBook documentation.

Important! The order in which you set up the tables that are required to implement Pension Administration business process may vary. The order may depend on the features that you want to use and whether you are implementing more than one PeopleSoft application. The information provided in this chapter offers a high-level overview of how our documentation maps to the overall implementation process; it doesn't offer step-by-step guidance on how to perform an actual implementation.

Other Sources of Information

In the planning phase of implementation, take advantage of all PeopleSoft sources of information, including the installation documentation, table-loading sequences, data models, and business process maps.

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See Also

PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook

Enterprise PeopleTools PeopleBook: PeopleSoft Setup Manager

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CHAPTER 2

Understanding Pension Administration

This chapter discusses:

- Pension plan rules.
- Business processes.
- Rules and data setup.
- Administrative information setup.
- Administrative processes.
- Periodic processing and benefits calculation.
- Pension Administration pages.
- Report generation.

Pension Plan Rules Overview

Every pension plan is unique, so Pension Administration offers maximum flexibility for implementing pension plan rules. Nineteen core functions combine to produce a final pension benefit in all its optional forms of payment. Each of these functions has an extensive set of parameters for mapping to the plan rules. If the parameters must be modified, numerous predefined user exits exist for custom code.

The effective date design of the PeopleSoft system gives you a complete history of the pension rules, whether they were changed two years ago or whether the desired change is two months away. You can "roll back" the system to a particular point in time from which you can perform historical calculations for employees to ensure against cutbacks due to plan amendments or regulatory changes. In addition, you can project the impact of potential plan changes on employee benefits.

Special employee group processing enables using different rules for employees who meet specific criteria—for example, eligibility for grandfathered benefits, eligibility for a special incentive early retirement offering, or any other criteria you specify.

Business Processes

Pension Administration supports the following business processes:

- Set Up Administration Information.

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Some general administrative tasks relate to the plan itself, rather than to specific plan participants that you set up in the system: basic identifying information, valid funding providers, companies used to house the plan's payees in the PeopleSoft system, and generic checklists for administrative processes.

- Administer Active Employees.

  Even before employees retire, it is important to work closely with them. Using Pension Administration, it is possible to check an employee's pension accruals, administer employee contributions to contributory plans, verify tax elections, update beneficiary information, or look at any of the multitude of information that affects the plan participants.

- Calculate Benefits.

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

- Administer Payees.

  Pension Administration tracks all types of pension payees: retirees, their beneficiaries, and alternate payees entitled to a portion of a pension benefit due to a Qualified Domestic Relations Order (QDRO). Activity and communications tracking enable monitoring forms, waivers, verifications, and all the other paperwork associated with pension benefits. PeopleSoft assumes that a third-party trustee produces pension checks and W-2P and 1099-R forms. A trustee extract provides the trustee with the necessary payment instructions, including tax elections, direct deposit information, and deductions. The system keeps a running summary of total taxable and nontaxable benefits paid so you can ensure that retirees completely recover any contributions they have made toward their pension benefits. An actuarial valuation extract provides the plan actuary with the information needed to make a determination of plan liabilities. Participant counts can be used for Form 5500 reporting.

Rules and Data Setup

Two tasks must be completed before using Pension Administration:

- Establish all processing rules.

  The biggest part of this job is setting up calculation rules; but it is also necessary to set up pension status processing (used for Form 5500 participant counts and the actuarial valuation extract) and the retiree administration control tables.

  The steps involved in establishing the processing rules are covered in "Understanding Plans."

- Get employee data into PeopleSoft tables.

  The nature of pension calculations may require moving an entire career's worth of information into the system.

See Also

Chapter 1, "Getting Started with Pension Administration," page 1

Chapter 6, "Understanding Pension Plans," page 37

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Employee Data Setup

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

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

When using another human resources system and a standalone version of Pension Administration, it is necessary to transfer biographical and startup data into the PeopleSoft system during implementation; then, you update the PeopleSoft tables when necessary.

Because pension calculations can require data from an employee's entire career, some information may not exist in the PeopleSoft system. It is possible to load entire working histories for employees—or, if there are no retroactive plan changes, startup values can be used to represent accruals up to the time the history becomes available. For example, rather than loading 20 years of payroll data, it is acceptable to load precalculated service amounts for those years.

See Also

Chapter 49, "Loading Employee Data," page 473

Administrative Information Setup

This section discusses:

- Administrative tasks
- Plan administration setup
- Public table maintenance

Administrative Tasks Overview

Most day-to-day activities involve working with employees and other plan participants as they accrue and then receive pension benefits. However, some general administrative tasks relate to the plan itself, rather than to specific plan participants. These are discussed in this section.

Plan Administration Information Setup

Set up several types of plan administration information in Pension Administration.

1. Set up basic identifying information:
   - The plan's administrator.
   - The plan's employer identification number (EIN).
   - The plan address.
2. Establish valid funding providers for the plan.

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Select providers from this list when identifying the funding source on a pension payee's payment instruction. The funding provider information then gets included in instructions you send to the third-party trustee who cuts the pension checks.

3. Identify the company (or companies) used to house the plan's payees in the PeopleSoft system.

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

4. Set up generic checklists ("activity lists") for administrative processes involving work with plan participants.

   Set up checklists for the event processing types, such as terminations, retirements, and deaths. You can set up different checklists for different types of plan participants:

   - Retirees.
   - Beneficiaries.
   - QDRO alternate payees.

Public Table Maintenance

Pension Administration implementation involves setting up all the processing for accurate pension calculations. The calculation rules may refer to certain public tables, such as the Maximum Taxable Wage Base, Federal Mid-Term Interest Rates, and other tables used to calculate social security, interest rates, and Internal Revenue Code section 415 and 401(a)(17) limits.

Even though calculation rules do not change, the tables referenced by those rules change. Therefore, you must update these tables to ensure that correct values are used in calculations.

See Also

Chapter 4, "Understanding Calculation Rules," page 27

Administrative Processes

This section discusses:

- Administrative processes.
- Employee pension data review and maintenance.
- Pension data maintenance.
- Defined benefit contributory plans administration.
- Activity checklist usage.

Administrative Processes Overview

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

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

Employee Pension Data Review and Maintenance

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

With Pension Administration, pension data is always available. Data is readily available to verify tax elections, update beneficiary information, or view the information that affects plan participants. The employee data pages are a useful tool for employee retirement counseling. When employees have questions about their earnings or service history, you can use these pages to review the data with them.

Active Employee Administration

Even before employees retire, it is important to work closely with them. When they ask about their pension accruals, you can look up the information and thereby demonstrate the integrity of the personal and job information used in calculations.

If the organization sponsors contributory plans, you are involved in a number of tasks specific to administering employee contributions.

Employee Data Review

Pension Administration provides a number of pages for viewing information about active employees.

The Review Employee Information pages (in the Pension, Pension Information menu), enable viewing personal data about employees and beneficiaries.

The Review Job History pages (in the Pension, Pension Information menu) enable viewing data related to employees' jobs including: salary rates, hourly or salaried status, full- and part-time status, regular or temporary status, and the action and reason history.

Note. Data in these two components cannot be edited on the pension pages because it is "owned" by the human resources department. To make changes to the data, select Workforce Administration, Personal Information or Workforce Administration, Job Information.

The Review Plan History pages (in the Pension, Pension Information menu) enable viewing the results of certain periodic processing functions including:

- Eligibility and participation history.
- Service history.
- Cash balance history.
- Employee account history.

Note. The Review Plan History pages show the results of periodic processing; you cannot use these pages to edit this information. You can make manual adjustments to the service, cash balance, and employee account information by selecting Pension, Pension Information, Update Employee Plan Data. The next periodic processing run picks up the manual adjustments. After it runs, the Review Plan History pages show the updated information.

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Pension Data Maintenance

Pension Administration provides pages for maintaining certain pension-specific employee information (some of it used in pension calculations) that the basic human resources records do not necessarily include.

The Employee Pension Status page enables viewing and maintaining employee pension statuses for each plan. For the most part, these statuses are automatically maintained, but in some cases—notably when an employee retires or dies—the information must be manually updated.

The Update Employee Plan Data component includes several pages for entering employee pension information:

- The Cash Balance Adjustments, Employee Account Adjustments, and Service Adjustments pages enable making manual adjustments to each type of accrual.
- The Prior Plan History page enables entering information about minimum plan benefits based on amounts accrued under prior rules or under a prior plan, such as a plan sponsored by a company that you have acquired.

  The calculation does not automatically apply these minimum benefits, but it produces a message on the calculation worksheet if any result is less than a stored minimum. Although you typically load both startup data and prior plan data as part of the initial data conversion, if necessary you can use these pages to view and maintain the data.
- Use the Startup History page to enter opening balances that were in effect before you implemented Pension Administration.
- Use the PRSA Coverage History page to record employees' coverage under a plan's Preretirement Survivor Annuity (PRSA).

  This is death coverage that provides a benefit to the surviving spouse if an employee dies before retiring. You only need to record this information if you charge employees for this coverage.

Use the Historical 415(e) page to track information needed to calculate Internal Revenue Code (IRC) Section 415 limits for employees who participate in both defined contribution and defined benefit plans.

For these employees, data entered on this page signals the system to ignore the 415(b) limit minimum that applies only to defined contribution non-participants. It is also used to determine the historical 415(e) limit in calculations for which the limit is historically effective. Although legislation has repealed IRC Section 415(e), it is still applicable to calculations with certain historical benefit commencement dates.

Because HRMS does not support the administration of defined contribution plans, you need to get the information for the historical 415(e) calculation from an outside source and enter it into the system.

The 415 function needs to know the "historical defined contribution fraction," a number calculated according to specific historical IRS rules. However, you can use any non-zero value to indicate an employee's participation in a defined contribution plan.

Use the Review Consolidation Results pages to view the calculated results of Pension Administration's consolidation process. This is the process that gathers payroll earnings, hours, and contributions into monthly or yearly accumulations. You can also override the information, if necessary.

Use the Social Security Earnings page to enter career earnings information that employees provide, enabling you to perform more accurate social security calculations.

Use the Pension Plan Beneficiaries page to track employees' pension beneficiaries. You only use this page for recording beneficiaries who are not spouses. If you do not enter data on this page, the system assumes that a beneficiary is a spouse.

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Defined Benefit Contributory Plans Administration

Administering contributory plans involves the following administrative tasks:

- You work with the benefits and payroll departments to ensure that the correct deductions, mandatory and voluntary, are taken out of employee's paychecks.
- When contributing employees terminate, you may need to refund contributions.

  If these employees are rehired, you may need to administer any service buyback program available to employees who repay the withdrawn contributions.
- If the plan offers a service purchase program, you need to establish purchasable service, track payments, and credit both the employees' contributory accounts and service accounts as payments are made.

Activity Checklist Usage

Pension Administration enables creating checklists for recording and tracking administrative activities. These "activity lists" help you manage the tasks, forms, verifications, waivers, elections, and other paperwork required.

See Also

Chapter 51, "Maintaining Employee Pension Data," page 493

Chapter 56, "Administering Contributory Plans," page 605

Chapter 58, "Recording Communications," page 625

Chapter 59, "Maintaining Public Tables," page 629

Periodic Processing and Benefits Calculation

This section discusses periodic processing and benefits calculation.

Periodic Processing Overview

Periodic processes are run on a regular basis to preprocess certain calculation data and perform housekeeping tasks. Preprocessing not only saves time, it also enables you to readily access up-to-date information when researching issues for employees.

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

Periodic processing enables consolidating payroll data for use by the calculation process. Periodic processing also keeps certain plan information up to date and available for review in the employee inquiry pages.

It is possible to run processes for all employees, for individual employees, or for groups of employees, and for one plan or all plans.

To run periodic processes, select Pension, Periodic Processes, Request Process.

Periodic pension processes enable you to:

- Establish history for plan eligibility and participation.

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- Consolidate payroll data:
  - Earnings
  - Hours
  - Contributions
- Maintain balances:
  - Service.
  - Cash balance accounts.
  - Employee (contributory) accounts.
- Update pension statuses.
- Update plan dates.
- Archive payroll data.
- Delete calculations.

Periodic processes, by definition, run on regular cycles. Several (or even all) processes can be run as a single job as long as they use the same cycle. To run some processes monthly and others annually, run them as two different jobs.

When the system detects erroneous data for an employee, periodic processing stops for that employee and restarts with the next employee. The system checks for valid data, such as date of birth, date of hire, and date aliases. Erroneous data is written to the table PS_PA_EE_ERR_TBL. Use this table to examine the erroneous data.

Benefits Calculation Overview

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

Calculations determine the benefits owed to pension plan participants. Running a calculation applies all your plan rules to a specific employee base for a specific event date. The “event” can be preretirement, termination, retirement, or in-service death or disability. It has a specific benefit commencement date. The calculation produces a final benefit amount in all the available optional forms.

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

You can get immediate results for small calculation runs, or schedule large runs for later. If you save a calculation, you can rerun the process either with a revised set of assumptions or for a final calculation.

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

You can look at the calculation results online or print worksheets showing results for individual employees.

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See Also

Chapter 45, “Running Periodic Processes,” page 389

Chapter 46, “Calculating Pension Benefits,” page 405

Chapter 47, “Viewing Calculation Results,” page 431

Employee Retirement Processing

This section discusses:

- Retirement processing
- Payee setup
- Pension payment processing

Retirement Processing Overview

Before an employee can receive pension payments, a number of steps are required. These steps include verifying birth dates and marital status, producing and verifying a final calculation, and obtaining spousal waivers and payment elections. After these preretirement tasks are complete, you can tell the system to begin making pension payments.

Using Pension Administration, you can:

- Track all preretirement tasks.
- Indicate the calculation on which you base payments.
- Indicate an employee’s optional form selections.
- Create the payment record that will be the basis for making payments.
- Schedule payment instructions as far ahead as desired.

  Payment instructions include:

  - Start payments.
  - Stop payments.
  - Payment adjustments.

Pension Administration assumes that retirees are paid by an external trustee and that the trustee handles all W-2P and 1099-R reporting.

Payee Setup

Three types of people might receive a benefit under a pension plan:

- Retirees (who were once employees).
- Their beneficiaries.
- QDRO alternate payees, former spouses who have a court-ordered right to a portion of an employee’s benefit.

You already track employee data by using an employee ID and all its associated data, such as personal data and job data. To track pension payee data, you also use the employee ID and the personal and job records.

For retirees, you use the existing employee ID. For beneficiaries and QDRO alternate payees, who start out as dependents or beneficiaries of employees, you select an existing employee ID if this person already has an employee ID, or create a new employee ID based on the person’s existing dependent or beneficiary data.

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

Pension Payment Processing

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

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

To prepare payments for individual pension payees:

1. Record a payee's check information, including tax elections, direct deposit information, and any deductions.
2. Record the payee's optional form selection, except for beneficiaries, who use the same optional form as the original employees whose beneficiaries they are.
3. Schedule recurring payments, using an effective date and status to indicate when the payments should start and stop.

   You can also schedule one-time payments or adjustments as needed.

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

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

See Also

Chapter 6, "Understanding Pension Plans," page 37

Chapter 53, "Preparing Pension Payments," page 533

Chapter 54, "Making Pension Payments," page 555

Payee Administration

This section discusses:

- Payee event administration
- Non-employee payee administration
- QDRO administration

Payee Event Administration

Certain events in the lives of pension payees require you to perform specific tasks. After employees retire and begin receiving payments, many things can still happen to affect their pensions. If a payee dies, you may need to stop making payments. Depending on the payment form, you may also need to begin payments to a beneficiary. If the payee chose a level income option, you may need to decrease payments when the retiree attains social security retirement age. Also, retirees may receive cost of living adjustments.

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

Non-employee Payee Administration

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

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

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

QDRO Administration

When a Qualified Domestic Relations Order from the court instructs you to pay a specified portion of an employee's benefit to an alternate payee, a number of things must be tracked, including information about the alternate payee and the benefit owed to that payee.

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

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

On the implementation side, you must ensure that you have set up plan rules in such a way that the QDRO calculations work correctly.

See Also

Chapter 55, "Administering Pension Payees," page 593

Chapter 57, "Administering QDROs," page 619

Pension Reporting and Data Extraction

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

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

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

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Pension Administration Pages

This section discusses:

- Pension Administration page groups.
- Set Up HRMS menu group.
- Pension menu group.

Pension Administration Page Groups

The Pension Administration pages are in two menu groups used primarily by PeopleSoft Enterprise Benefits and two menu groups used exclusively for pension processing.

Pension Administration includes two menu groups:

- Set Up HRMS, Product Related, Pension.
- Pension.

You use Human Resources - Benefits to set up the pension plan and the employee deductions for pension contributions:

- You set up pension plans under Set Up HRMS, Product Related, Base Benefits, Plan Attributes, Pension Plan Table.
- You sign employees up for a pension plan under menu Benefits, Enroll In Benefits, USA - Pension Plans.

Set Up HRMS Menu Group

There are several menus under Set Up HRMS, Product Related, Pension:

- Calculation Rules
- Variable Definitions
- Status Rules
- Components
- Pension Plan Implementation
- Utilities
- Calculation Tables
- Self Service Calc Defaults

Each menu is discussed in detail here.

Calculation Rules

In the Calculation Rules menu, you can define calculation methods to round, convert, limit, and project measurable pension concepts. Typically, these methods will be incorporated into larger, plan-specific definitions. Using the pages in the Calculation Rules menu, you can create:

- Actuarial assumptions.
- Interest methods.
- Internal Revenue Code Section 401(a)(17) earnings limits.

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- Projection rules.
- Custom statements.
- Spouse eligibility alias.
- Date and duration processing options.
- Mortality rates by age.

Variable Definitions

Under the Variable Definitions menu, you can set up different types of aliases, which look up or measure employee-specific information:

- Database aliases
- Table lookups
- Dates
- Durations
- Function result aliases
- Actuarial factor aliases

Status Rules

The Status Rules menu includes setup pages for defining pension-specific employment statuses. These definitions enable Pension Administration to distinguish between active and inactive employee populations and to measure service. The Status Rules menu includes pages for:

- HR action and reason categories, such as for job events.
- Actuarial valuation matrix.
- Active and inactive jobs.
- Status codes.
- Status code mappings.

Components

You use the Components menu to set up the core plan-specific definitions used by the system's calculation functions. The core function types are:

- Plan eligibility
- Participation
- Service-break rules
- Service-elapsed time
- Service-hours counting
- Service-hours equivalence
- Vesting
- Benefits eligibility
- Final average earnings
- Cash balance accounts

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- Employee accounts
- Social security
- Covered compensation
- Early/late adjustments
- Death coverage
- Benefit formula
- Employee paid benefit
- Optional forms
- 415 limits parameters

You also set up the other three consolidations definitions in the Components menu:

- Earnings consolidation
- Hours consolidation
- Contributions consolidation

Pension Plan Implementation

The Pension Plan Implementation menu contains pages where you set up critical plan-specific actions, such as the plan implementation, plan order, and plan aliases, as well as employee groups and function results. You apply the definitions that you created in the Components menu to a specific plan and construct the final calculation jobstream for the plan.

Utilities

The Utilities menu contains useful ways to audit your plan implementation. It also includes the Pension Processing Trace page, where you can track down errors encountered during a calculation.

Calculation Tables

The Calculation Tables menu contains pages for setting up and maintaining a variety of important pension lookup tables such as 401(a)(17) limits, interest rates, and wage bases.

Note. You can access the Calculation Tables pages from either the Set Up HRMS menu or the Pension menu. Both menus have the same functionality, and you can update or view the same information in both locations.

Self Service Calc Defaults

On the Self Service Calc Defaults page, you can define rules specifying the functionality users have when calculating their own pension benefits online.

Pension Menu Group

There are several menus in the Pension menu group:

- Pension Information
- Periodic Processes
- Calculations
- Review Calculations

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- Payments
- Domestic Relations Order
- Update Regulatory Information
- Define Calculation Tables
- Reports

Each menu is discussed in detail here.

Pension Information

On the Pension Information menu, you can:

- View and maintain employee pension-related data, including data related to employee contributions.
- Track pension-related activities and communications.
- Administer information about payees, such as adjusting payment amounts, applying cost of living adjustments, and responding to the death of a payee.

Periodic Processes

You use the Periodic Processes menu to administer ongoing measurements for service, earnings, and contributions for a payee.

Calculations

Use the Calculations menu to generate pension benefit amounts. You can:

- Create calculations group lists.
- Run calculations.
- Produce calculation worksheets.

Review Calculations

On the Review Calculations menu, you can look at different calculation results. It contains view-only pages.

Payments

The Payments menu contains pages where you create payees and process payments for active retirees. This includes pages where you can identify and schedule pension payments and produce the trustee extract.

Domestic Relations Order

The Domestic Relations Order menu contains pages where you track QDRO-related information.

Update Regulatory Information

The Update Regulatory Information menu contains pages where you can maintain employee-specific regulatory information, such as historical 415(e) limits and social security earnings.

Define Calculation Tables

The Define Calculation Tables menu is a duplicate of the Calculation Tables menu under Set Up HRMS. You can define your calculation tables under either the Set Up HRMS menu or the Pension menu.

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Reports

The Reports menu contains pages where you can set up information to run pension reports.

See Appendix A, "Pension Administration Reports," page 643.

Report Generation

This section provides overviews of reporting and pension reports.

Reporting Overview

Pension Administration comes with standard reports that support a range of pension administration functions, from a detailed calculation worksheet to Form 5500 participant counts.

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

Certain delivered SQR extracts provide data you can merge with Microsoft Word for Windows templates to produce form letters. Several sample templates are provided.

You can use the Process Scheduler to streamline reporting. It enables you to run reports locally on a client workstation or remotely on a server, without exiting Pension Administration or using a third-party scheduling program. If you schedule reports to run on a server, you can choose to run them later. This can avoid tying up personnel and printer resources during peak periods.

To perform ad hoc and repeated queries on your PeopleSoft database, you can use PS/Query, a query tool that enables you to create new queries, run existing ones, and generate the results online or in printed reports.

See Also

Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler

Pension Reports

There are three types of pension reports:

- Calculation result reports.

  Calculation result reports include the non-detailed calculation worksheet, the calculation worksheet, and the social security worksheet.

- Participant letters.

  Participant letters help you communicate with employees. Several sample letters can be modified to meet organization requirements.

- Data extracts:

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- Actuarial valuation.

  The actuarial valuation extract contains data that your actuary needs to determine plan liabilities. The extract has two parts: the “active” extract, for those whose benefits are still accruing, and the “inactive” extract, for those who are owed benefits, but whose benefits are no longer accruing. Employees appear in one or both of these files, based on their pension status codes and the rules you define for categorizing those codes.

- Form 5500.

  The Form 5500 Participant Count report tallies participants, based on their pension statuses. It helps you meet the Form 5500 reporting requirements.

- Trustee extract.

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

See Also

Appendix A, “Pension Administration Reports,” page 643

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CHAPTER 3

Understanding Your Implementation

This chapter provides an overview of implementation, and discusses:

- Plan setup.
- Specific plan components setup.
- Miscellaneous plan information setup.
- Plan processing order.
- Status code creation.
- Retiree administration control tables setup.
- Data conversion.

Implementation Overview

The work of implementing Pension Administration falls into three areas:

- Defining processing rules
- Converting employee data
- Testing the implementation

This book focuses on the first area, defining processing rules.

Plan Setup

First, determine how to map the existing plans to the Pension Administration system. Take inventory of existing plans, and decide which ones to create in the system. You may decide that you don't need to set up calculation rules for certain plans.

Even if you are not going to set up calculation rules, you still need to establish the plan in the system if you want to use Pension Administration to administer participants and benefits.

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

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

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See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Benefit Plans," Entering Benefit Plan Information

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Benefit Plans," Setting Up Pension Plans

Specific Plan Components Setup

This section provides overviews of specific plan components setup, calculation parameters setup, and calculation jobstream setup.

Calculation Parameters Setup

Pension Administration takes a modular approach to setting up calculation rules. Because the modules are heavily interdependent, a key part of your analysis will be diagrams showing the relationships of the modules you need. This is extremely important because it will be impossible for you to create any module until all its prerequisite modules are in place. Use your diagrams as a road map for entering the data in the system.

Note. During implementation, you must keep track of many modular objects. This task easier if you develop a naming standard for pension objects.

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Base Benefits Core Tables," Setting Up Calculation Rules

Calculation Jobstream Setup

Order the components according to their interdependencies. For example, if you have defined participation as requiring service credit, then the Participation Service component should be placed before the Plan Participation component.

Miscellaneous Plan Information Setup

Identify rules you've set up to calculate miscellaneous plan information such as the plan's normal and early retirement dates, the date of first vesting, and the plan's primary contributory account.

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363

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Plan Processing Order

You must give each plan you create a specific processing precedence. The precedence determines the order in which plans run when you perform calculations or periodic processing for multiple plans at once.

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

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," Setting the Order of Plans, page 368

Status Code Creation

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

See Also

Chapter 44, "Using Pension Statuses," page 377

Retiree Administration Control Tables Setup

The job record reflects the person's status as a pension payee. This is the record used to track employee job information; it is used somewhat differently for pension payees.

If you use the Manage Base Benefits business process or PeopleSoft Enterprise Benefits Administration for retiree deductions (for example, to take deductions for retiree medical coverage), then benefits processing must be set up accordingly.

See Also

Chapter 9, "Establishing Retiree Administration Control Tables," page 53

Data Conversion

Because pension calculations require a career's worth of data, you must load a lot of historical data even if you are already using PeopleSoft Enterprise Payroll for North America and PeopleSoft Enterprise Human Resources.

When you move historical employee data into the PeopleSoft system, you are dealing with:

- Data that isn't specific to a particular pension plan.

  This is descriptive data about the employees and their job histories.

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- Data that is plan-specific.

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

See Also

Chapter 49, “Loading Employee Data,” page 473

Implementation Verification

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

Do not underestimate the importance of thorough testing.

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CHAPTER 4

Understanding Calculation Rules

This chapter discusses:

- Calculation rules setup.
- Core functions identification.
- Modular approach to rules.
- Time segments and function results.
- Your implementation plan.

Calculation Rules Setup

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

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

Analysis reveals the ways in which you perform calculations. Effective dating enables you to keep a history of plan provisions through all the changes the plan has seen. Special group processing enables you to match employees to the correct processing rules.

You can use as many sets of rules as you need. You set up rules and employee groups independently, mix and match them, and assign effective dates to the combinations you create.

Core Functions Identification

The three consolidation functions are run only during periodic processing. Consolidations gather payroll data into monthly or yearly buckets that are then available to other functions during calculations. Each of the functions is discussed in a separate chapter.

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See Also

Chapter 11, “Consolidating Payroll Data,” page 61

Chapter 12, “Defining Plan Eligibility,” page 89

Chapter 13, “Defining Plan Participation,” page 95

Chapter 14, “Defining Service and Break Rules,” page 99

Chapter 16, “Defining Vesting Rules,” page 135

Chapter 17, “Defining Benefit Eligibility,” page 143

Chapter 18, “Defining Final Average Earnings,” page 147

Chapter 19, “Defining Cash Balance Accounts,” page 155

Chapter 20, “Defining Employee Accounts,” page 163

Chapter 21, “Defining Social Security,” page 169

Chapter 22, “Defining Covered Compensation,” page 179

Chapter 23, “Defining Early and Late Retirement Factors,” page 183

Chapter 24, “Defining Death Coverage Reductions,” page 193

Chapter 25, “Defining Benefit Formulas,” page 201

Chapter 26, “Defining Employee-Paid Benefits,” page 209

Chapter 27, “Defining Optional Forms of Payment,” page 215

Chapter 28, “Applying Section 415 Limits,” page 235

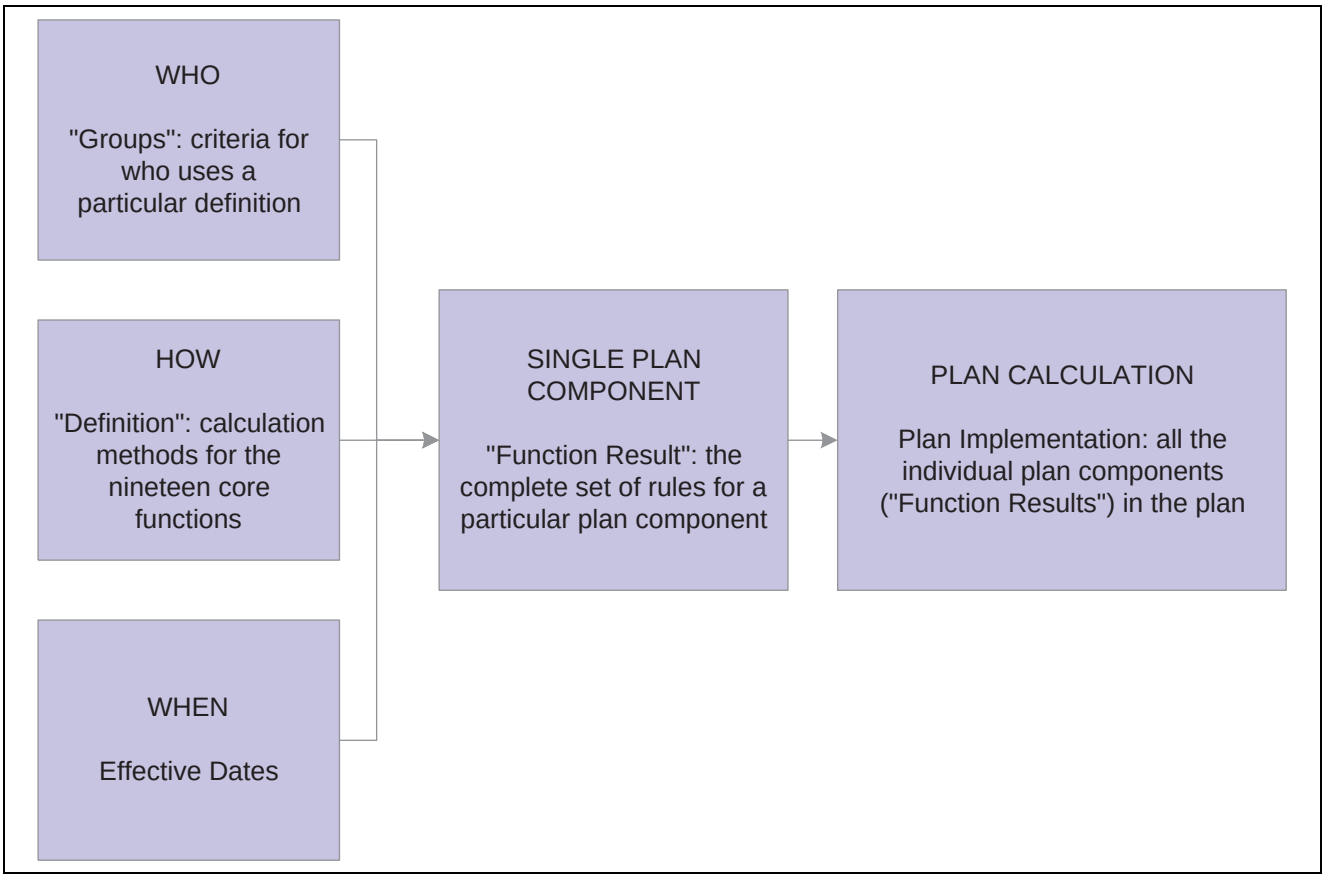
Modular Approach to Rules

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

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

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

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Assemble modular rules to create a pension plan calculation

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

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

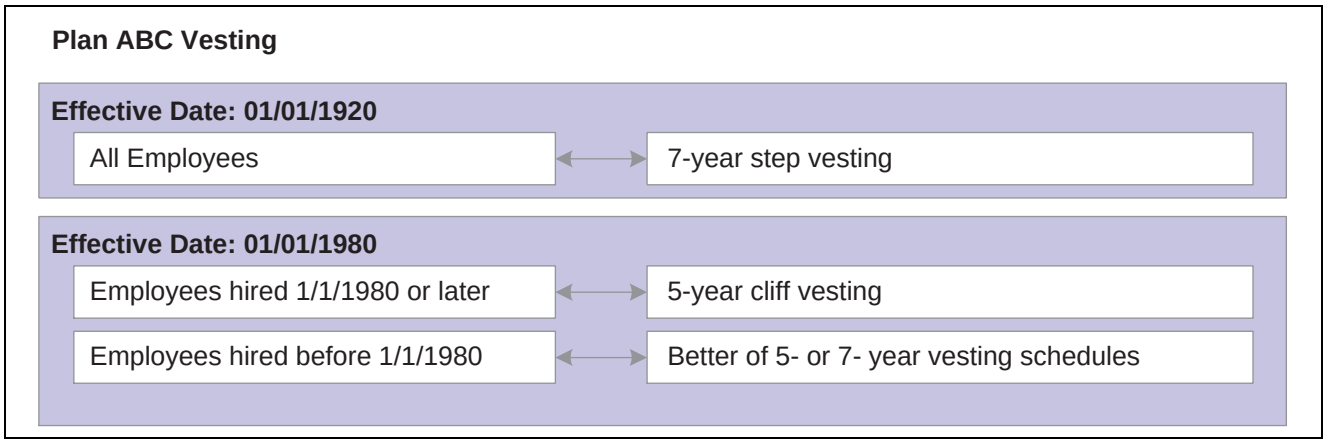
You need to set up the following modules:

- Vesting definition 1: Seven-year step vesting.
- Vesting definition 2a: Five-year cliff vesting.
- Vesting definition 2b: Better of the two vesting methods.
- Group 1: All employees.
- Group 2: Employees hired January 1, 1980 and later.
- Group 3: Employees hired before January 1, 1980.

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

Your rule looks something like this:

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Vesting rules example

You put all the pieces together on the Function Result page. *Function result* refers to the complete instructions for calculating the result for a function. Remember, the definition alone isn't enough because several definitions may be used in different situations.

You create function results for all the core functions that apply to your plan. Certain functions normally have just a single function result in the plan. For example, your plan only uses one plan eligibility function result because for each employee, there is only one plan eligibility value.

Other functions may have multiple function results:

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

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

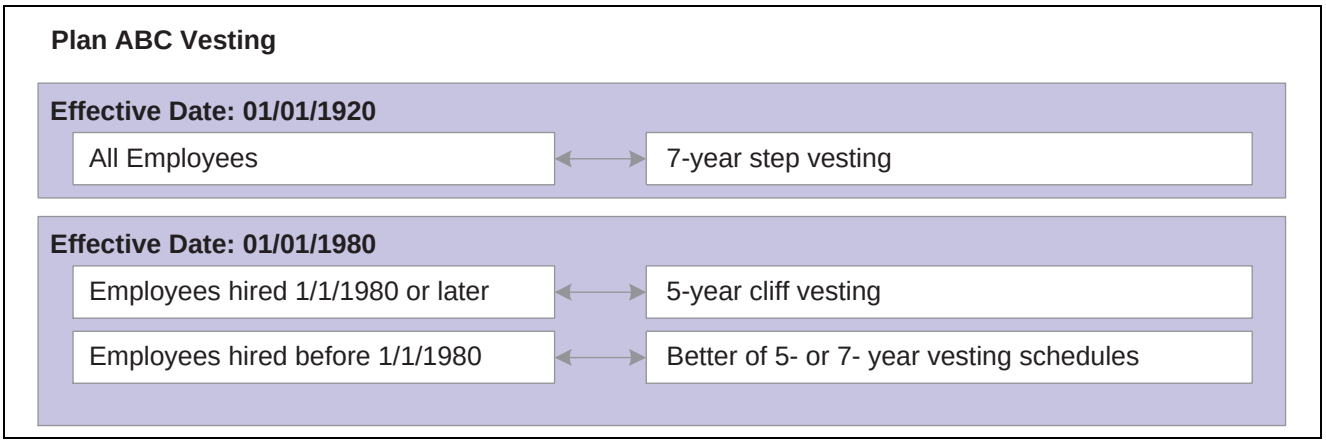
See Also

Chapter 5, "Understanding Pension Variables, Rules, and Tables," page 33

Time Segments and Function Results

Certain functions sometimes apply different rules over different periods of an employee's career. For example, an employee may have accrued service using an hours counting method until a plan amendment in 1980, then started accruing service using an hours equivalence method. You don't want the system to recalculate the earlier service using the changed rules; rather, you want to add the service accrued under the old rules and that accrued under the new rules. That is, the rules are simultaneously effective, but over different time segments.

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Service function result with time segments

On the Function Result page, you indicate the applicable time segment using the Start Date and Stop Date fields. The Stop Date for the final time segment is normally the event date, which is the date of separation from service due to termination or retirement.

Only specific functions deal with multiple simultaneously effective time segments:

Function	Example
Consolidated contributions Consolidated earnings Consolidated hours	If consolidation rules change, the consolidated hours, earnings, and contributions for previous years can remain unchanged; the new rules are used only for future periods.
Service	Service accrued prior to the rule change remains unaltered. Additional service accrual is based on the new rules. Results from each time segment are added together.
Cash balance accounts	If the cash balance rules change, the prior balance isn't affected, but future accruals are based on the new rules. Results from each time segment are added together.
Employee accounts	If the employee account rules change, the prior balance isn't affected, but future accruals are based on the new rules. Results from each time segment are added together.

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Function	Example
Death coverage factors	If the death coverage rules change, the reduction that the employee has already incurred for coverage up to that point remains and any additional reduction is calculated using the new rules. Results from each time segment are added together.
Participation	If participation rules change, the participation status for prior years remains unchanged. The new rules only apply to future periods.

Other functions don't use time segments to break an employee's career into sections. Therefore, the Start Date and Stop Date fields always use values that define a time segment encompassing the entire life of the plan. For example, all time segments for vesting could use the dates January 1, 1900 to event date.

Your Implementation Plan

Setting up your plan rules is a complex task. During your detailed analysis, you look closely at your existing administration practices.

The analysis should be from the top down. That is, you look at broad functional areas of your rules and map them to the system's 19 core functions. Determine which function results you need and what their processing order is. At the end of this first step, you have a list of the function results you need.

Start with the first function result in your processing order, and analyze the specific plan rules that you are implementing. Continue this process through the entire jobstream. At the end of this step, you have a list of all the definitions and groups you need.

Go back to the beginning and start examining the definition parameters. You'll discover other lower-level modules that are needed. These modules are discussed in "Understanding Pension Variables, Rules, and Tables."

Continue breaking down all the plan components until you have a complete inventory of the modules you need and you understand their interrelationships. After you complete your analysis, use diagrams as a road map for entering the data into the system.

This analysis may have the additional benefit of identifying practices that don't conform to the plan document. It is also an opportunity to codify any administrative practices which are implicit rather than documented.

Note. It is critical to establish the proper sequence for creating the modules so that you have the required objects when you need them.

See Also

Chapter 5, "Understanding Pension Variables, Rules, and Tables," page 33

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CHAPTER 5

Understanding Pension Variables, Rules, and Tables

This chapter discusses:

- Pension variables, rules, and tables.
- Pension rules parameters maintenance.
- Tables usage.
- Plan rules customization.

Pension Variables, Rules, and Tables Overview

The system provides parameter pages, which you use to create definitions for the 19 core functions that handle pension calculations. The definition pages you use can reference variables, rules, and tables.

Type	Description
Variable (alias)	An alias is a calculated value that varies by employee. A variable can be stored in the database (for example, an employee's birth date) or calculated (for example, an employee's age at termination). When you use multiple job processes, there are special rules for resolving aliases.
Rule	Rules are incorporated into the main parameter pages to provide functions that enable you to reuse specific subsets of the definitions. For example, you can create an earnings projection method using the projections rule and then apply that method within the final average earnings, cash balance accounts, and employee accounts functions.
Tables	Tables are lists of values that you use for specific functions. For example, you can set up mortality tables that can be referenced from an actuarial assumption set.

See Also

Chapter 10, "Defining the Primary Job," page 57

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Pension Rules Parameters Maintenance

This section discusses:

- Variables usage
- Rule utilities usage

Variables Usage

You can configure eight types of variables to calculate values. A separate chapter describes each variable.

See Also

Chapter 29, “Using Database Aliases,” page 247

Chapter 30, “Creating Table Lookup Aliases,” page 257

Chapter 31, “Using Date Aliases and Date Options,” page 267

Chapter 32, “Using Duration Aliases and Duration Options,” page 277

Chapter 33, “Using Function Result and Actuarial Factor Aliases,” page 289

Chapter 34, “Using Custom Statements and Spouse Eligibility Statements,” page 297

Rule Utilities Usage

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

See Also

Chapter 35, “Creating Action and Reason Categories,” page 311

Chapter 36, “Using Actuarial Assumptions,” page 315

Chapter 37, “Using Interest Methods,” page 325

Chapter 38, “Applying Section 401(a)(17) Earnings Limits,” page 329

Chapter 39, “Projecting Hours and Earnings,” page 341

Table Usage

Use mortality tables and service schedules for specific purposes:

- Mortality tables are part of an actuarial assumption set. When you create the actuarial assumptions, you specify the mortality table to include.
- Service schedules show the amount of service credited for a particular service period based on the number of hours worked during that period. You reference these schedules from certain hours-based service definitions.

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See Also

Chapter 36, “Using Actuarial Assumptions,” Setting Up Mortality Rates, page 320

Chapter 15, “Counting Periods of Service,” Crediting Service Based on Hours Worked, page 129

Plan Rules Customization

Although PeopleSoft provides extensive options for setting up plan rules, it is possible to use your custom code at certain points. Pension Administration enables integrating your modifications by providing a way to reference custom modules.

PeopleSoft provides a number of predefined places—identified by the User Code option on the parameter pages—where you can indicate that the system should use your code in processing a specific function.

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

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

This ability to exit from the pension jobstream, perform a custom calculation, and then reenter the jobstream with the results of that calculation, minimizes the impact of your modifications on the core system.

See Also

Chapter 50, “Configuring Calculations,” page 481

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CHAPTER 6

Understanding Pension Plans

This chapter discusses:

- Pension plan setup.
- Pension plan benefits setup.

Pension Plan Setup Overview

You set up pension plans in the Manage Base Benefits business process tables. After you set up the basic plan definition, you can set up the calculation rules in Pension Administration.

For contributory plans, you can use PeopleSoft Enterprise HRMS to calculate payroll deductions for pension contributions. In this case, you must:

- Create deduction codes.
- Create deduction calculation rules.
- Put the plan into a benefit/deduction program.
- Enroll employees so that the deduction or payroll processing can take the deduction.

  Enrollment doesn't affect pension calculations; it is only used for payroll deductions.

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

See Also

Chapter 8, "Setting Up Contributory Plans," Deducting Pension Contributions, page 46

Pension Plan Setup

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

Basic Pension Plan Data Setup

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

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See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Benefit Plans," Entering Benefit Plan Information

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Benefit Plans," Setting Up Pension Plans

Contributory Element Addition

To establishing deduction processing for contributory plans you must:

1. Ensure there is a unique plan type.

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

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Building Base Benefit Programs," Building Benefit Programs

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Base Benefits Core Tables," Setting Up Deduction Codes

Pension Plans Benefit Setup

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

This section discusses:

- Plan type usage and benefit plan setup.
- Pension plan setup completion.
- Benefit program setup.

Plan Type Usage and Benefit Plan Setup

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

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Benefit Plans," Defining Benefit Plans

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Pension Plan Setup Completion

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

Part of the completion of the pension plan is defining contributory plans.

Contributory Plan Definition

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

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

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Benefit Plans," (USA) Entering Pension Plan Details

Benefit Program Setup

You must set up (or "build") benefit programs before enrolling employees in a benefit plan. You only enroll employees in a pension plan if the plan is contributory and you are using the HRMS system to calculate deductions that should be taken from employee paychecks.

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Building Base Benefit Programs"

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CHAPTER 7

Establishing Plan Administration Information

This chapter provides an overview of plan administration and discusses how to set up plan administration data.

Understanding Plan Administration

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

- Setting up basic identifying information, such as the plan's administrator, the plan's employer identification number (EIN), and the plan address.
- Establishing funding providers for the plan.

  When you set up retiree payments, you identify the funding source using the values you establish. The system includes funding provider information in the instructions you send to the third-party trustee who provides the pension checks.
- Identifying the company (or companies) used to house the plan's payees in the PeopleSoft system.

  Payee records in the PeopleSoft Enterprise HRMS system use the same data structure as employee records. This means that you identify companies, jobs, locations, and other employment-related information in the payee record. Much of this data is generic to all payees; for example, you can establish a single job to use for all retirees.
- Setting up activity lists, which are checklists for the administrative processes that require you to perform standard sets of tasks—for example, terminations, retirements, and deaths.

Setting Up Plan Administration Data

To administer plans, use the Identify Plan Admin Info (PLANADM) and the Define Activity Lists (ACTIVITY) components. This section provides overviews of retiree jobs and retiree companies, and activity lists, lists the pages used to administer plans, and discusses how to:

- Set up plan administration information.
- Enter funding provider and company information.
- Create activity lists.

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Understanding Retiree Jobs and Retiree Companies

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

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

You establish one retiree company for each plan you sponsor. When a pension payee receives benefits from multiple plans, you create multiple retiree jobs for the person and associate each job with a different company. This enables pension payees to have different tax elections for each plan that provides a benefit.

Understanding Activity Lists

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

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

For example, you might set up a retirement activity list that includes the tasks (or "activities") that you must perform when a person retires. When a specific employee retires, you create a checklist for that employee by copying the standard retirement checklist.

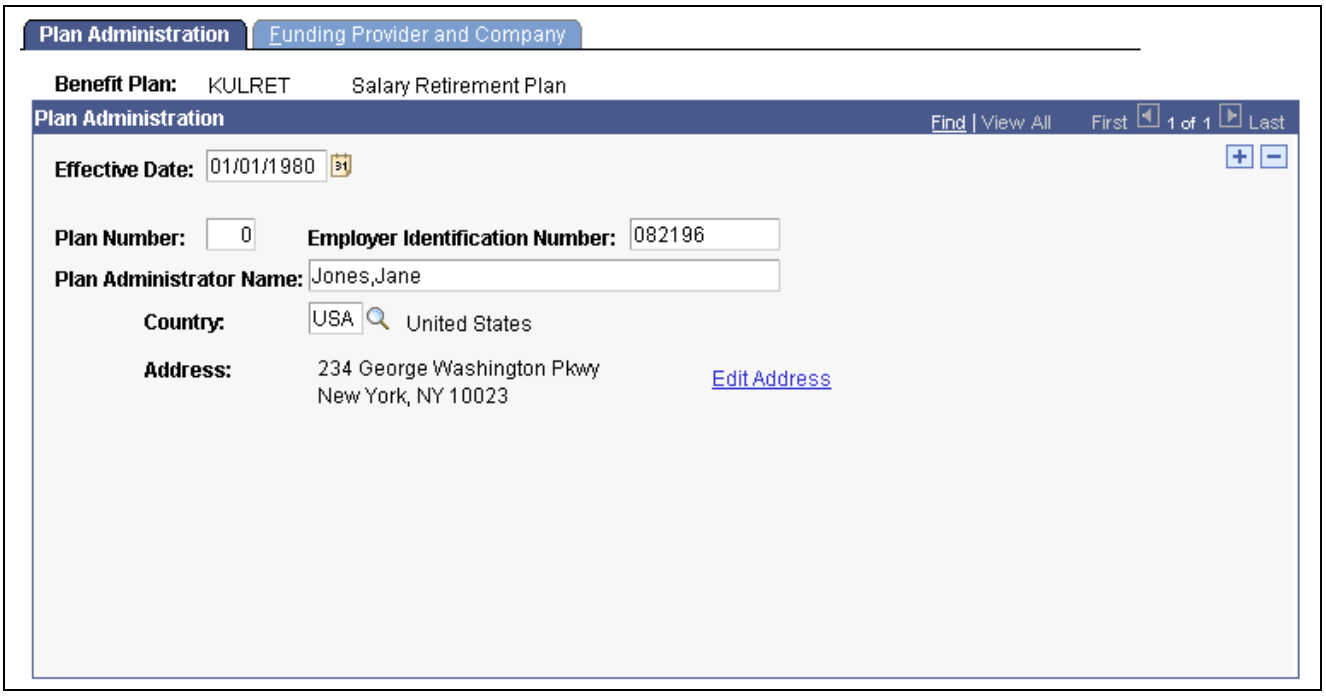
Pages Used to Administer Plans

Page Name	Object Name	Navigation	Usage
Plan Administration	PA_PLAN_ADMIN	Pension, Pension Information, Identify Plan Admin Info, Plan Administration	Supply basic administrative information.
Funding Provider and Company	PA_PLAN_ADMIN_FUND	Pension, Pension Information, Identify Plan Admin Info, Funding Provider and Company	Enter funding provider and company information to identify the retiree company associated with a plan and the valid funding providers for the plan.
Activity Lists	PA_RT_ACTIVITY	Pension, Pension Information, Define Activity Lists, Activity Lists	Create activity lists for different types of events in the lives of plan participants.

Setting Up Plan Administration Information

Access the Plan Administration page.

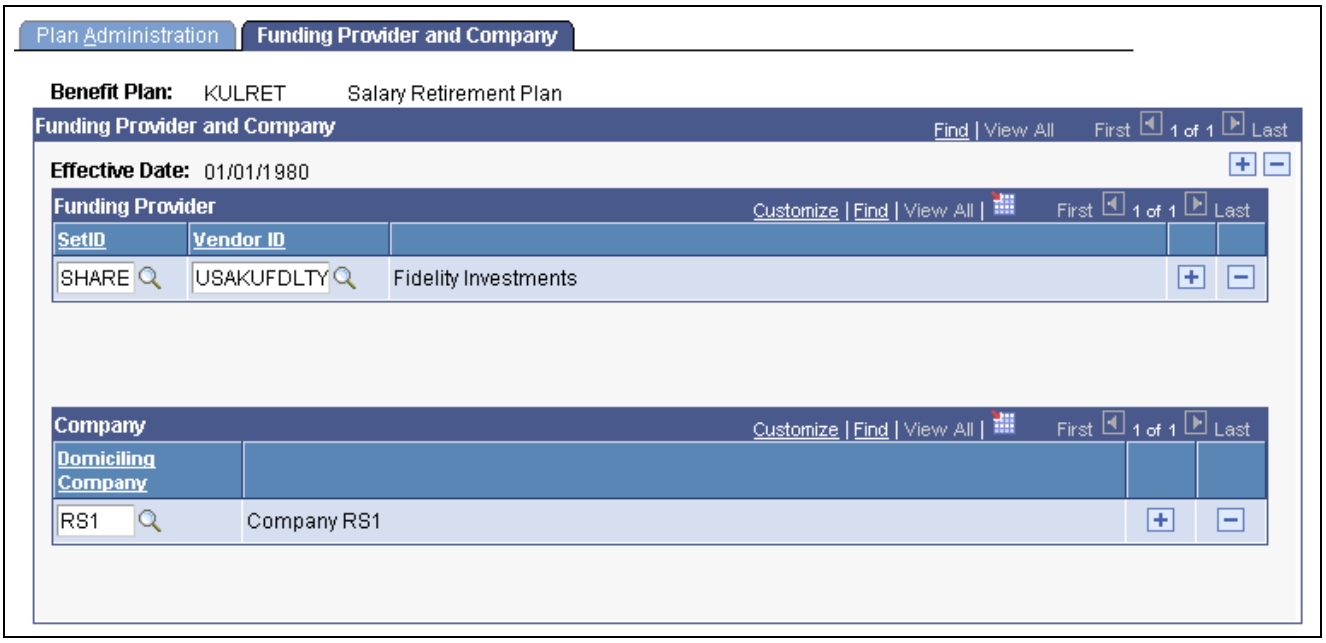
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Plan Administration page

Entering Funding Provider and Company Information

Access the Funding Provider and Company page.



Funding Provider and Company page

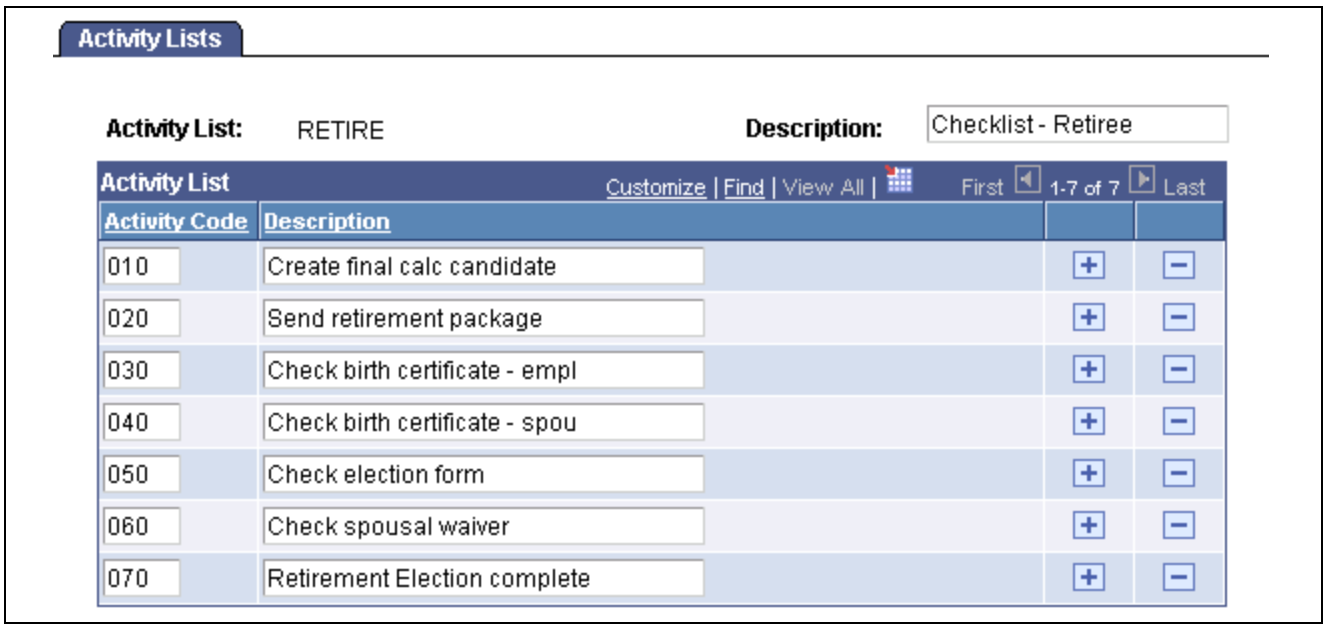
SetID and **Vendor ID** Enter IDs for the funding provider. Only providers included on this page are valid providers when you schedule payments for a pension payee.

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

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Creating Activity Lists

Access the Activity Lists page.



Activity Lists page

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

See Also

PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook, "Setting Up Vendors"

Chapter 9, "Establishing Retiree Administration Control Tables," page 53

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CHAPTER 8

Setting Up Contributory Plans

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

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

Understanding Contributory Plans

Contributory plans present some special considerations when you implement Pension Administration.

1. If you use the Manage Base Benefits business process and PeopleSoft Enterprise Payroll for North America, you need to establish deduction processing in order to take pension contributions from employee paychecks.
2. You need to track the contributions and interest that employees earn.
3. You need to determine how much of the final benefit is attributable to the employee contributions, and treat the employee-paid and employer-paid benefits differently. For example:
    a. Vesting: Employees are always 100 percent vested in their contributions, while the employer-paid portion of a benefit is subject to plan vesting rules.
    b. Of the 415 limits on defined benefit plans: You only apply the limits to the employer-paid portion. (Employee contributions, mandatory or voluntary, are considered a defined contribution plan.)
    c. Optional forms of payment: Employees may be entitled to withdraw contributions as a lump sum at benefit commencement, leaving the employer-paid portion to be paid out as an annuity.
4. You need to keep track of the final employee contributory balances against benefits that are received, because employees are entitled to full recovery of their contributions. Furthermore, any after-tax contributions are recovered as nontaxable benefits, while the interest is taxable.
5. Contributory plan participants can often withdraw their contributions when they terminate, forfeiting any associated service. Then, if an employee is rehired, the plan may enable the employee to repay the contributions with interest in order to buy back the forfeited service.
6. Contributory plans may enable employees to purchase service for certain types of periods, such as time worked under another plan, or time spent on military leave. To purchase the service, employees must give the plan an amount of money that is equivalent to what they would have contributed had they been participating during that time. The purchase amount also includes appropriate interest.

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Deducting Pension Contributions

Set up all the pension plans in the Manage Base Benefits business process before establishing the plan's calculation rules. When you deal with contributory plans, you have to perform some extra steps during plan setup:

1. Ensure that each plan has a unique plan type.

   The Manage Base Benefits business process enables employees to enroll in only one plan per plan type—for example, one medical plan and one dental plan. If the employees ever contribute to more than one plan at a time, you need to ensure that each plan has a unique plan type. PeopleSoft delivers six different plan types for U.S. pension plans (types 82 through 87); they are translate values.
2. Create a deduction code for each contributory plan.
3. Set up the pension plan in the Benefit Plan table and the Pension Plan table just as you set up a noncontributory plan—except that you enter a default deduction code in the Pension Plan Table page.
4. Add the pension plan to a benefit program.
5. On an ongoing basis, enroll employees in the pension plans.

   "Enrolling" means that you sign up the employees for deductions. It has nothing to do with an employee's eligibility, as determined by the Pension Administration eligibility function.

See Also

PeopleSoft Enterprise Payroll Interface 9.0 PeopleBook, "Setting Up Deduction Data," Understanding the Deduction Table

Chapter 6, "Understanding Pension Plans," page 37

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Building Base Benefit Programs"

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Enrolling Participants"

Tracking Contributions

Pension Administration provides three functions specifically for contributory plans:

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

Use the Review Consolidation Results - Contribution History page to view the results of periodic consolidation processing and override values for particular periods.

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

Use the Plan History - Employee Account History page to view the results of periodic processing for employee accounts. You cannot modify or override data on this page but you can:

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

See Also

Chapter 11, "Consolidating Payroll Data," page 61

Chapter 20, "Defining Employee Accounts," page 163

Chapter 26, "Defining Employee-Paid Benefits," page 209

Chapter 51, "Maintaining Employee Pension Data," Viewing an Employee's Consolidated Contributions, page 513

Chapter 51, "Maintaining Employee Pension Data," Adjusting Contributory Accounts, page 499

Chapter 48, "Viewing Employee Data," Viewing Employee Account History, page 469

Managing Employee-Paid and Employer-Paid Benefits

By using the employee-paid benefit function to establish the value of an employee's contributions to a plan, you can also establish the employer-paid portion of the benefit. How you do this depends on whether the employee contributions are:

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

If employee contributions supplement the employer-paid pension benefit—for example, by employees' making voluntary contributions that increase the value of their pension benefits—then the regular benefit formula provides the employer-paid benefit. In this case, apply vesting and 415 limits to the regular plan benefit, then add the employee-paid benefit to that amount in a subsequent final benefit formula.

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

The following discusses how to set up the jobstream for either of these situations in order to handle the three areas where you may have to treat the employee- and employer-paid portions differently:

- Vesting: Isolate the employer-paid portion and apply vesting rules to that portion only.
- The 415 limits: You need to have both benefit formula and optional forms function results for the employer-paid benefit because the benefit formula feeds values to optional forms, which in turn feeds values to 415 limits processing.

Important! The limits are applied after any total (recombined) benefit is calculated. This means that the total benefit is based on the unlimited version of the employer-paid benefit and is incorrect if limits are applied.

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Note. You may need to consider the employee contributions in determining the 415 limits that are applicable to defined contribution plans. Pension Administration doesn't calculate any defined contribution limits.

Payouts: If employees are entitled to withdraw contributions as lump sums at benefit commencement, you may pay out the employee-paid and employer-paid portions separately.

This means that you need both benefit formula and optional forms function results for both portions of the benefit so that the system can feed the benefit amount to the payment process. If the two employee-paid and employer-paid portions are a single inseparable benefit, you only need one benefit formula for the combined amount.

If employee contributions supplement the benefit, the end of the jobstream includes some or all of the following function results:

Order	Function Result	Description
1	Employee-Paid Benefit.	The annuity value of employee contributions.
2	Benefit Formula - Employee.	The employee-paid portion is put into a benefit formula so it can flow through to optional forms and then into the payment schedule. You only need this if employees can take the employee-paid and employer-paid portions separately.
3	Optional Forms - Employee.	Optional forms that are associated with an employee-paid benefit and are only needed if you let employees receive separate payments for the employee-paid and employer-paid portions of the benefit.
4	Benefit Formula - Employer.	Regular plan benefit, all employer funded. Vesting rules should be applied.

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Order	Function Result	Description
5	Optional Forms - Employer.	Optional forms for the employer-paid benefit are used only for: • Paying out this portion of the benefit if employees can take the two portions separately. • Applying 415 limits. However, if the benefit is reduced by 415 limits, the final recombined benefit (benefit formula and optional forms) is incorrect because they're processed before 415 limits, and are, therefore, based on the unlimited amount, not the 415-limited amount. Work around this limitation by running a second calculation in which you override the employer benefit with the limited result.
6	Benefit Formula - Final Combined.	Total benefit. Add the employer- and employee-paid portions of the benefit. Make sure that benefits are in the same payment form and frequency—for example, the monthly value of a single life annuity. If necessary, divide annual amounts by 12, or use the factor utility, to ensure that both benefits are in the same payment form. Also be aware that this amount does not include 415 limits that are applied to the employer-paid benefit.
7	Optional Forms - Final Combined.	Optional forms that are associated with the final combined benefit.
8	415 Limits.	The 415 limits function is always processed at the end, regardless of its position in the plan implementation. Therefore, you should place it at the end to be consistent. Processing for 415 limits adjusts the optional forms results for the employer-paid benefit, but it doesn't recalculate the combined benefit.

If employee contributions offset a portion of the employer cost, the jobstream is different from the one described previously. There is one new row (Order 1 below) and one changed row (Order 5 below and Order 4 in the previous table). The table below describes these differences:

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Order	Function	Function Result Description
1	Benefit Formula - Total Before Vesting.	Regular plan benefit with no vesting rules applied.
5	Benefit Formula - Employer.	The employer-paid benefit is calculated by subtracting the employee-paid benefit (row 2 or 3) from the regular plan benefit (row 1). This is also where you apply the vesting percentage. You can put this formula in a custom statement instead of a benefit formula if: • You don't need to see this value in the calculation results, and • You're not going to apply 415 limits, which get the benefit amount from the benefit formula through optional forms.

Warning! The system does not allow you to recombine employee-paid and employer-paid benefit for highly compensated employees. To work around this limitation: Run an initial calculation to find the limited employer-paid portion. Then run a second calculation, where you override the employer-paid benefit with the limited amount. You must do this in order to provide the appropriate amount for the combined benefit formula and optional forms.

Ensuring That Employees Recover Their Contributions

You need to keep track of the final employee contributory balances and the benefits employees receive. Employees are entitled to full recovery of their contributions.

Setting Parameters in an Optional Forms Definition

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

Identifying the Appropriate System Employee Account

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

Viewing Final Account Balances

The pension payment process copies the account information to a payment summary record. The system also uses this record to store a running balance of the total benefits that are paid and the nontaxable benefit that is paid. Use the Payee Summary page to view the final account balances and the running payment totals.

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Every time you make payments, the system compares an employee's final after-tax contributions to the total nontaxable benefit that the plan pays out. When the employee recovers all the after-tax contributions as nontaxable income, the system no longer treats any portion of the retiree's benefit payments as nontaxable; the system overrides any nontaxable portion with zero.

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363

Chapter 54, "Making Pension Payments," Tracking the Payee Summary, page 590

Implementing Service Buyback

Service buyback has two aspects:

- Administering the withdrawal of contributions, and setting the associated employee account and service accrual to zeroes.
- Tracking repayments and the associated service credits.

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

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

See Also

Chapter 56, "Administering Contributory Plans," page 605

Implementing Service Purchase Provisions

In certain situations, employees might purchase service for a period by paying the contributions and interest that a plan would have collected if the employee had worked and contributed during that period. Examples are the purchase of service for periods of military leave, or for periods during which an employee was working but was not eligible to participate in the plan.

In the employee account definitions, you establish a special type of account for tracking employees' payments toward service purchase. By entering a consolidated deductions data source in this definition, you provide a way for payments that are made through payroll deductions to be automatically credited to the account.

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

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When setting up a service purchase program for an employee, a pension administrator needs to calculate the amount of purchasable service. The pages where the administrator sets this up include a utility to help calculate the purchasable service amount. You need to provide calculation rules, including a duration option, for this service calculator. You do this on the Plan Aliases page.

See Also

Chapter 56, “Administering Contributory Plans,” page 605

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CHAPTER 9

Establishing Retiree Administration Control Tables

This chapter discusses how to:

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

Note. To track pension payees, you need to establish the payees in the PeopleSoft system. This requires you to perform several tasks, which are described in "Establishing Pension Payees."

See Also

Chapter 52, "Establishing Pension Payees," page 519

Activating Pension Administration and Setting PeopleTools Options

On the Installation Table - Products page, select *Pension Administration* (access this page under Set Up HRMS, Install, Installation Table, Products).

Note. If you are using PeopleSoft Enterprise Human Resources full position management, consider switching to partial position management. You almost certainly do not want to manage retirees by position. You change to partial position management on the Installation Table - HRMS Options page.

On the PeopleTools Options page, select two check boxes: *Multiple-Company Organization* and *Multiple Jobs Allowed* (access this page under PeopleTools, Utilities, Administration, PeopleTools Options). You need to do this because:

- Pension plans are independent tax reporting entities. Therefore, the system should be set up to support multiple companies.

  In PeopleSoft, a company is typically defined as a business unit that has a unique federal employer identification number (EIN) for payroll tax reporting purposes.

- When you retire an employee with the Pension Administration system, you create an additional retiree "job," concurrent with the employee's original job.

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Note. You must select *Multiple Jobs Allowed* in order to run Pension Administration. However, if your organization does not have employees with multiple concurrent jobs, you can run the application in a single user environment by selecting *Single Job Environment* on the Plan Implementation page.

See Also

PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook, "Setting Up and Installing PeopleSoft HRMS"

Setting Up Retiree Departments and Security

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

Creating departments specifically for pension payees enables you to secure the payee data using the department security tree. Be sure to add the payee department (or departments) to the department security tree; otherwise users cannot access payee data.

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

See Also

PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook, "Setting Up Organization Foundation Tables," Maintaining Departments

PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook, "Setting Up and Administering HRMS Security"

Enterprise PeopleTools PeopleBook: PeopleSoft Tree Manager

Setting Up Other Control Tables

The other control tables you need to set up for payees are locations, job codes, and pay groups. You must create an establishment ID before you set up the locations. You must create an earnings program before you set up the pay groups.

Note. Although Pay Group is a required field in pension payee job records, the system does not make pension payments using PeopleSoft payroll processing. Instead, it produces the Trustee Extract file, which provides payment information for the third-party who produces the pension checks.

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Creating a Logical File for the Trustee Extract

Pension Administration produces the Trustee Extract file, which provides payment information for the third-party who produces the pension checks.

When you run the Trustee Extract process, the system writes the data to the file that you define using the system variable *TRSPYMT*. You can set up the variable so that the file resides on any accessible drive.

Your database platform determines how you define this variable. Under Sybase, you define it on the client. On a UNIX server, you define it on the server. See your database administrator for more information on defining a system variable.

For example, to set up this variable on a Windows NT client, access the Control page and click the System button. Enter TRSPYMT as the variable name, and provide a directory path (including a file name) for the value.

See Also

Chapter 54, “Making Pension Payments,” Creating the Trustee Extract File, page 563

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CHAPTER 10

Defining the Primary Job

This chapter provides overviews of multiple jobs and the primary job selection and discusses how to:

- Control the primary record selection.
- Attach active and inactive definitions to a plan alias.
- Override the primary job selection.

Understanding Multiple Jobs

Pension Administration provides the option to perform benefit calculations for employees with multiple concurrent jobs. The multiple jobs functionality adds processing time, and you choose whether to run it.

Most of the documentation in this book is applicable to both single-job and multiple-job processing. Documentation that applies only to multiple jobs is designated by headings containing the words "Multiple Jobs"—for example, "Multiple Jobs Considerations for Consolidating Hours."

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," Creating a Plan Implementation, page 363

Understanding the Primary Job Selection

A primary job is the job that aliases use to get information. When an alias needs to be resolved, the primary job record is used. For example, if you set up an alias that references an employee's monthly rate of pay, the alias returns the primary job record's monthly rate of pay.

In a single job environment, the primary job is the only job. However, for multiple jobs, the system must determine which job is the primary one. It does this based on when an employee is active and which jobs enable the employee to be eligible for a plan.

When setting up the system for calculation, you can accept the primary job record that the system selects, or override that selection with another job record.

In most cases, the system chooses the correct primary record. However, in some instances, that record may not be appropriate for your company's needs. In these situations, you need to override the primary job selection.

The system selects an employee's primary job for a particular time period by searching for records in the following sequence, then choosing the lowest-numbered qualifying record.

1. Overrides: The system first looks for any overrides you entered for the employee. If it finds one, it accepts the override as the primary job record for the period.

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2. Eligible active: If there are no overrides for the period, the system looks for an eligible active job. If it finds one, it accepts it as the primary job record for the period.
3. Eligible inactive: If there are no overrides and eligible active jobs, the system looks for an eligible inactive job. If it finds one, it accepts it as the primary job record for the period.
4. Ineligible active: If an ineligible inactive job is available, the system searches for any active job record that is not eligible for the plan.
5. Ineligible inactive: If no ineligible active jobs are available, the system selects an ineligible inactive job.

If the system finds more than one of a record type, it selects the lowest-numbered record as the primary job record.

See Also

Chapter 29, "Using Database Aliases," page 247

Controlling the Primary Record Selection

To set up active and inactive job definitions, use the Active/Inactive Jobs (PA_ACTIVE_JOBS) component. This section provides an overview of the primary record selection, lists the page used to set up active and inactive job definitions, and discusses how to set up active and inactive job definitions.

Understanding the Primary Record Selection

As explained in the previous section, the system uses a job's active or inactive status in selecting the primary job. You determine what makes a job active or inactive by maintaining definitions of the action and reason categories that activate or inactivate job records. PeopleSoft delivers two action and reason categories, Active and Inactive, that serve as the default active and inactive definitions for a plan.

To modify the active and inactive definitions, you can change one of the delivered categories or create your own.

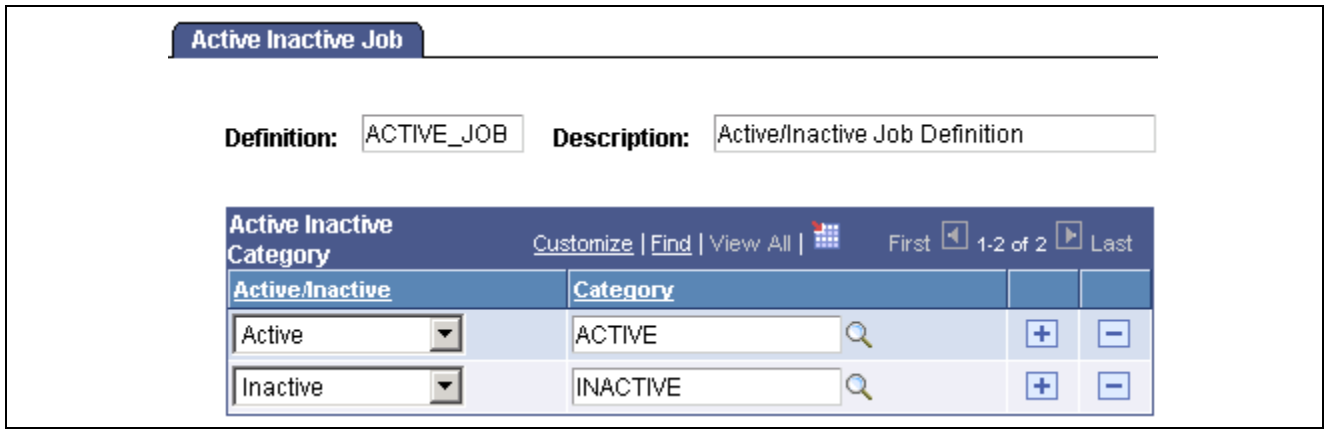
Page Used to Set Up Active and Inactive Job Definitions

Page Name	Object Name	Navigation	Usage
Active Inactive Job	PA_ACTIVE_JOB_RULE	Set Up HRMS, Product Related, Pension, Status Rules, Active/Inactive Jobs, Active Inactive Job	Set up and modify definitions of active and inactive jobs.

Setting Up Active and Inactive Job Definitions

Access the Active Inactive Job page.

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Active Inactive Job page

Definition Enter the name for the active or inactive definition set.

Active Inactive Category Select the *ACTIVE* or *INACTIVE* category. PeopleSoft created these categories to contain common actions that activate or inactivate a job. The status you select in the Active/Inactive field determines whether this category activates or inactivates a job.

For example, in the page illustrated, the category *ACTIVE* makes a job active, and the category*INACTIVE* makes a job inactive.

You can modify the delivered *ACTIVE* and *INACTIVE* categories or create new categories—for example, ACTIVE2 and INACTIVE2.

Note. If you modify the *ACTIVE* or *INACTIVE* category, you don't need to account for all the actions and reasons. When the system determines the active or inactive status, it looks only for the actions and reasons that affect job status; if it finds any others, it ignores them.

Attaching Active and Inactive Definitions to a Plan

After you create a set of active and inactive job definitions on the Active Inactive page, you attach it to a pension plan on the Plan Aliases page. In the prompt box for the Active/Inactive job definition field, select the definition name you created on the Active Inactive page.

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363

Overriding the Primary Job Selection

To manually select a primary job record, use the Override Primary Job (PA_JOB_OVERIDE) component . This section provides an overview of manual primary job record selection, lists the page used to manually select a primary job record, and discusses how to manually select a primary job record.

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Understanding Manual Primary Job Record Selection

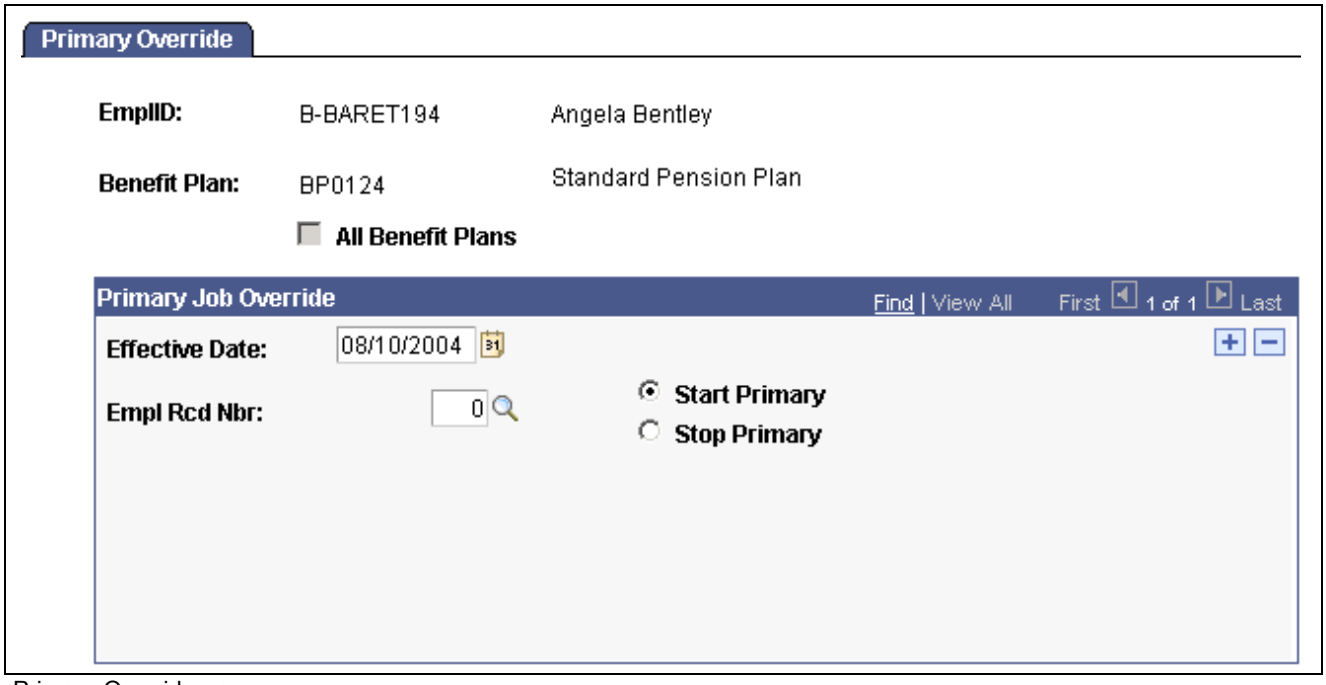
If you do not want to use the primary job record that the system selects, you can specify a different record. You do this on the Primary Override page.

Page Used To Manually Select a Primary Job Record

Page Name	Object Name	Navigation	Usage
Primary Override	PA_PRIMJOB_OVRD	Pension, Pension Information, Override Primary Job, Primary Override	Manually select a job record as primary, overriding the record selected by the system.

Manually Selecting a Primary Job Record

Access the Primary Override page.



Primary Override page

Empl Rcd Nbr (employee record number) Indicate the number of the primary job record.

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

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CHAPTER 11

Consolidating Payroll Data

This chapter provides an overview of consolidations and discusses how to:

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

Understanding Consolidations

This section provides overviews of:

- The periodic consolidation process.
- Functions.
- Data sources.
- Multiple jobs considerations for consolidating hours.
- Continuous consolidation history maintenance.

The Periodic Consolidation Process

A pension calculation can use vast amounts of historical payroll data. Earnings, hours, and contribution histories can cover twenty years or more. If every calculation involved looking up each paycheck an employee received over their entire period of employment, you would have to keep all that data available indefinitely rather than eventually archiving it. This would also require extensive processing time.

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

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

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

When you run a calculation, the system uses the most recent consolidation data. If your consolidations are not up to date, the calculation does not use the most recent payroll information.

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

The “process through” date associated with each consolidation period tells you when the data was last updated. If the process through date is earlier than the period end date, you do not yet have final data for the period.

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

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

See Also

Chapter 45, "Running Periodic Processes," page 389

Functions

There are two functions that always require the consolidated earnings function: final average earnings and cash balance accounts. Social security calculations can also be based on consolidated earnings—or, if you choose, on a final average earnings amount. Consolidated hours can also be based on consolidated earnings if you provide an earnings-to-hours divisor.

Service is the only function that uses consolidated hours.

Employee accounts is the only function that uses consolidated contributions.

The three consolidation functions, consolidated earnings, consolidated hours, and consolidated contributions, calculate periodic payroll accumulations.

Consolidated earnings and consolidated hours calculate this information in three stages:

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

Consolidated earnings has one additional result: the partial period fraction. This indicates the portion of the consolidation period that an employee works. For example, if you consolidate earnings using calendar years and an employee terminates on April 1, the employee only worked 25 percent of the year and the partial period fraction is .25.

To see the details of an employee's consolidation history, select Pension, Pension Information, Update Employee Plan Data. This component includes pages showing the detailed consolidated data.

Data Sources

The consolidations functions get all the earnings, hours, and contributions data from PeopleSoft Enterprise payroll tables. If you are running a standalone version of Pension Administration, you have to bring your payroll data into the PeopleSoft Enterprise tables before running the consolidation.

If you use PeopleSoft to track multiple concurrent jobs and you have the Single Job Environment check box cleared, the consolidation functions do not distinguish earnings, hours, or contributions based on job. The other calculation functions only use data for the first job; however, the consolidation functions incorporate the data for all jobs.

Following are the payroll tables that provide data to each of the three consolidation functions. When you populate these tables, whether during the initial data conversion or to bring data into a standalone system, be sure to populate *all* of the indicated tables. Consolidations do not work unless an employee has data in every table. If the data is unavailable, create a row with zeros in all of the numeric fields.

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

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

The consolidation process always uses data from the payroll tables if it is available. If the payroll tables do not have data for a period, the consolidation process looks for data in the pension archive versions of the tables. If you enter an override in the pages where you maintain consolidated data, the process does not look at either table for the period.

If you reconsolidate after purging data from the payroll tables, data for the reconsolidation comes from the pension archive tables. The pension archive table names are similar to the payroll source table names, and they have the prefix *PA_HST_*.

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

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

Multiple Jobs Considerations for Consolidating Hours

To process multiple jobs for consolidating hours, on the Plan Implementation page you must clear the Single Job Environment check box. Only jobs for which an employee is eligible within the specified plan are considered for consolidations, unless you use the W-2 option. Most job consolidations are processed one job at a time. The results of each job's consolidations are then added for each calculation period.

Hours consolidations based on consolidated earnings are treated differently when processing multiple jobs. In this case, the system divides the consolidated earnings by the rate in the first primary job record that it finds.

See Also

Chapter 11, "Consolidating Payroll Data," Establishing Earnings Parameters, page 66

Continuous Consolidation History Maintenance

An employee's consolidation history must not be interrupted. If an employee leaves the organization and is later rehired, you could end up with gaps in the consolidation history. This could also happen if an employee transfers to another job and becomes ineligible for a particular plan but then transfers back and becomes eligible again.

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

If you use the same definition for eligible and ineligible periods, you have zero earnings and hours for the periods between a termination and a rehire. If, however, an employee transfers to a different job within the organization, there may be earnings or hours from that ineligible job. For this reason, you should instead create definitions specifically for the ineligible periods. Configure these definitions so that they always produce zero earnings and hours. To do this, base the definitions on actual payroll earnings or payroll hours and specify a "dummy" earnings code that has no associated earnings or hours.

For consolidated hours, you have another alternative. You can use the same consolidated hours definition for eligible and ineligible periods, but configure the service definition to suppress service during periods of ineligibility, regardless of whether there are consolidated hours.

Setting Up Earnings Consolidations

To set up earnings consolidation, use the Earnings Consolidation (EARNINGS) component. This section provides an overview of earnings consolidations, lists the pages used to set up earnings consolidations, and discusses how to:

- Establish earnings parameters.
- Set earnings accumulation limits and adjustments.
- Establish earnings generation methods.
- Establish earnings adjustments.

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Understanding Earnings Consolidations

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

To process an earnings consolidation:

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

Note. The consolidation process adjusts termination periods only if an employee has been rehired. It does not adjust final termination periods; functions using consolidated data have other parameters for handling final periods. Earnings are generated for complete periods only.

The core functions that need consolidated earnings use the final adjusted earnings amount produced by step six. However, the system also stores the intermediate amounts produced by steps one and two and the fraction produced by step seven. These intermediate amounts are informational only; they display on the Earnings History page but are not used in the calculation.

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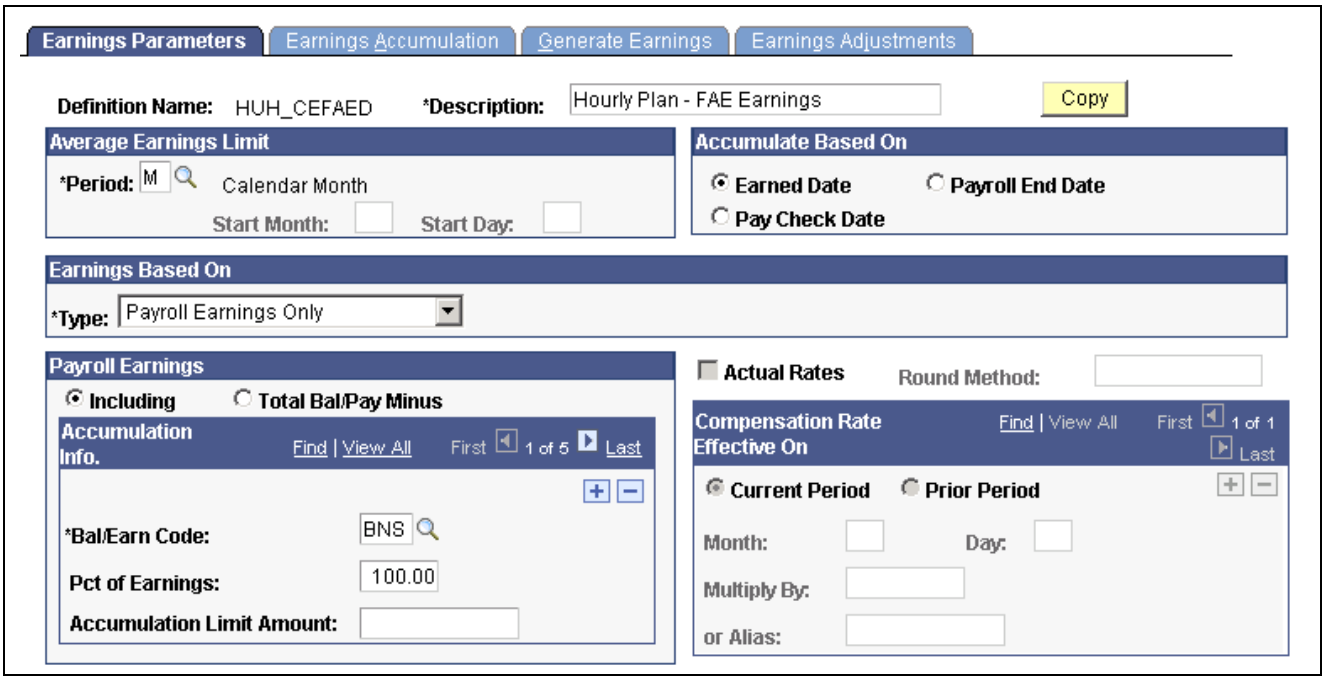
Pages Used to Set Up Earnings Consolidations

Page Name	Object Name	Navigation	Usage
Earnings Parameters	PA_CONS_EARN_PARMS	Set Up HRMS, Product Related, Pension, Components, Earnings Consolidation, Earnings Parameters	Establish the accumulation period, and identify the earnings data to include in the periodic totals.
Earnings Accumulation	PA_CONS_EARN_ACCUM	Set Up HRMS, Product Related, Pension, Components, Earnings Consolidation, Earnings Accumulation	Set limits and adjustments.
Generate Earnings	PA_CONS_EARN_GEN	Set Up HRMS, Product Related, Pension, Components, Earnings Consolidation, Generate Earnings	Establish generation conditions and methods.
Earnings Adjustments	PA_CONS_EARN_BRK	Set Up HRMS, Product Related, Pension, Components, Earnings Consolidation, Earnings Adjustments	• Establish the criteria for calculating the partial period fraction. • Annualize or otherwise adjust hire and termination periods. • Indicate “include” categories of action and reason codes that signal the end of a generated earnings period. • Indicate “include” categories to balance the compensation rate “exclude” categories if your consolidation is based on compensation rate.

Establishing Earnings Parameters

Access the Earnings Parameters page.

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Earnings Parameters page

Copy

Consolidated earnings definitions can be quite complex. This is a shortcut you can use to copy a similar definition. Establish the first definition, click the Copy button, enter a new name and description, and the system clones the original definition using the new name. Then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead of copying an existing definition.

Setting Up the Accumulation Period

Period

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

If you select *Other Year,* specify the start month and start day of that year. Use a number (1-12) to represent the month. The day is usually the first of the month.

Depending on the function that uses this definition, there are certain restrictions:

- Earnings used by the final average earnings function can use any accumulation period.
- Earnings used by the cash balance accounts function must use the same accumulation period as the cash balance accounts definition.

  Valid values include *Calendar Month, Calendar Year,* and *Plan Year.*
- Earnings used by the consolidated hours function must use the same accumulation period as the consolidated hours definition, which must, in turn, use the same accumulation period as the corresponding service definition.

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Valid values include *Calendar Month, Calendar Year, Plan Year,* and *Anniversary Year.*

- Earnings used by the social security function must use a calendar year consolidation.

Allocating Earnings to Periods

Accumulate Based On

If you base earnings on either of the following, your earnings data is already aligned with your consolidation period: *Earnings Balance Table* or *Payroll W2 Accumulator* (you select these options in the Earnings Based On field, described below). If you base earnings on compensation rate, there are no earnings periods to align. In these cases, you can ignore the Accumulate Based On group box.

If you base earnings on pay period data, you need to align your payroll dates with your consolidation dates. Specify the period into which earnings fall by selecting an Accumulate Based On option:

- *Earned Date:* Select this option to put earnings into the period containing the day that the money was earned. Because payroll data does not include an earnings-by-day breakdown, total earnings for the pay period are divided evenly among days to produce daily earnings amounts. For example, a weekly pay period from June 26 to July 2 includes pay from both June and July. If you consolidate monthly, 5/7 of the earnings falls in June and 2/7 falls into July. Proration by day always includes all days in the accumulation period, not just work days.
- *Payroll End Date:* Select this option to put earnings into the period containing the last day of the pay period.
- *Pay Check Date:* Select this option to put earnings into the period containing the date printed on the check.

Indicating the Earnings Basis

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

Earnings Based On

In the Earnings Based On group box, choose one of the following types:

- *Payroll W2 Accumulator:* If you select this option, Pension Administration gets the data from the appropriate payroll table. As long as you allocate earnings based on Earned Date, the system prorates these amounts to find earnings for the consolidation period.
- *Payroll Earnings Only:* Select this value to allocate earnings based on the Pay Check Date.
- *Compensation Rate Only:* If you select this value, you complete the Compensation Rate Effective On parameters on this page. All of the other options are payroll-based and require you to complete the Payroll Earnings parameters.
- *Both Payroll Earns and Rate* (both payroll earnings and compensation rate): If you select this option, you complete both the payroll and earnings parameters and the system adds the earnings data (as specified in the Payroll Earnings group box) with the compensation data (as specified in the

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Compensation Rate Effective On group box). This means that you have to set up the blend proportions using the Pct of Earnings and Multiply Comp Rate By fields. For example, for a 50/50 mix, you would set up the definition to take 50 percent of earnings and to multiply the compensation rate by .5.

- *Payroll Special Accumulator:* If you select this option, use the Special Accum field to indicate which payroll accumulator holds the pensionable earnings.
- *Earnings Balance Table:* If you select this option, you access earnings that have already been subtotaled to produce month-, quarter-, and year-to-date balances. As long as you allocate earnings based on Earned Date, the system prorates these amounts to find earnings for the consolidation period. The results are the same as if you choose *Payroll Earnings Only* and allocate earnings based on the Pay Check Date. However, the payroll system has already done much of the work for you. Therefore, if your consolidation period is a month or a calendar year, it is more efficient to use earnings balance tables.

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

Multiple Jobs Considerations for the Earnings Based On Group Box

If you use the multiple jobs functionality, the system selects the jobs used for earnings consolidations in one of two ways: If you select *Payroll W2 Accumulator* as the method of accumulation, consolidations use the W-2 amounts without regard to the job. In all other cases, consolidation only includes the jobs that make an employee eligible for the plan.

Selecting and Adjusting Earnings Amounts

Payroll Earnings

If your consolidated earnings use any of the payroll-based earnings types, use the Payroll Earnings group box to specify the earnings or balance types to use:

- *Including:* Select this option to list the types to *include.*
- *Total Bal/Pay Minus:* Select this option to list the types to *exclude.*

Build the list of earnings or balance types in the scrolling region of the Earnings Based On group box.

Bal/Earn Code

Specify a code for the plan you select.

Pct of Earnings

For each Bal/Earn Code you specify, you can adjust the earnings by a specified percentage. For example, you can use 100 percent of regular earnings and 50 percent of overtime earnings. If you exclude earnings, you can exclude 50 percent of overtime earnings.

Accumulation Limit Amount

You can limit the amount of earnings for an earnings code by entering the limit here.

Do not use this field to implement 401(a)(17) limits. Set up those limits on separate 401(a)(17) pages, and apply them in the Final Average Earnings or Cash Balance Accounts function.

See Chapter 38, "Applying Section 401(a)(17) Earnings Limits," page 329.

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Setting Up Compensation Rate Options

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

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

Round Method — You can round the effective dates of rate changes by specifying a round method, which you define.

Compensation Rate Effective On — If you do not use the actual rates, complete the Compensation Rate Effective On options. Use the scrolling region in this box to list one or more dates when the compensation rates are in effect.

Current Period/Prior Period — Select an option: Current Period to check the compensation rate during the current period or Prior Period to check it during the prior period.

Month — Enter the month that the compensation rate becomes effective.

Day — Enter the day that the compensation rate becomes effective.

Multiply By — Especially if you incorporate rates from multiple dates, you need to indicate how to weigh each rate. Enter a factor for each rate in the Multiplied By field. For example, you could use half of an employee's January 1 rate and half of the employee's July 1 rate. You can set up a factor as a constant value or an alias that you create. If you leave this field blank, the system uses a factor of 1.0.

Example of Setting Up Compensation Rates

When you consolidate earnings that are based on both payroll and earnings and the compensation rate, the system adds the earnings data (as specified in the Payroll Earnings group box) and the compensation data (as specified in the Compensation Rate Effective On group box).

Suppose you consolidate monthly but pay employees every two weeks. Let's see what happens when you use a 50/50 blend of payroll earnings and compensation rate for an employee earning 60,000 USD per year.

For the compensation rate portion, the employee's earnings are 5,000 USD per month. Take 50 percent of that and each consolidation period has 2,500 USD from the compensation rate source.

For the payroll portion, there are ten months when the employee gets 4,600 USD and two months when the employee gets 6,800 USD (these numbers are rounded rather than exact). Take 50 percent of these numbers and you get ten months at 2,300 USD and two months at 3,400 USD.

Add the 2,500 USD (from the 50 percent of the rate portion) to each of these amounts, and you end up with ten months at 4,800 USD and two months at 5,900 USD.

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

- Using only payroll earnings, there are 10 months at 4,600 USD and two months at 6,800 USD.
- Using only the compensation rate, there are 12 months at 5,000 USD.
- Using a 50/50 blend of the two, there are 10 months at 4,800 USD and 2 months at 5,900 USD.

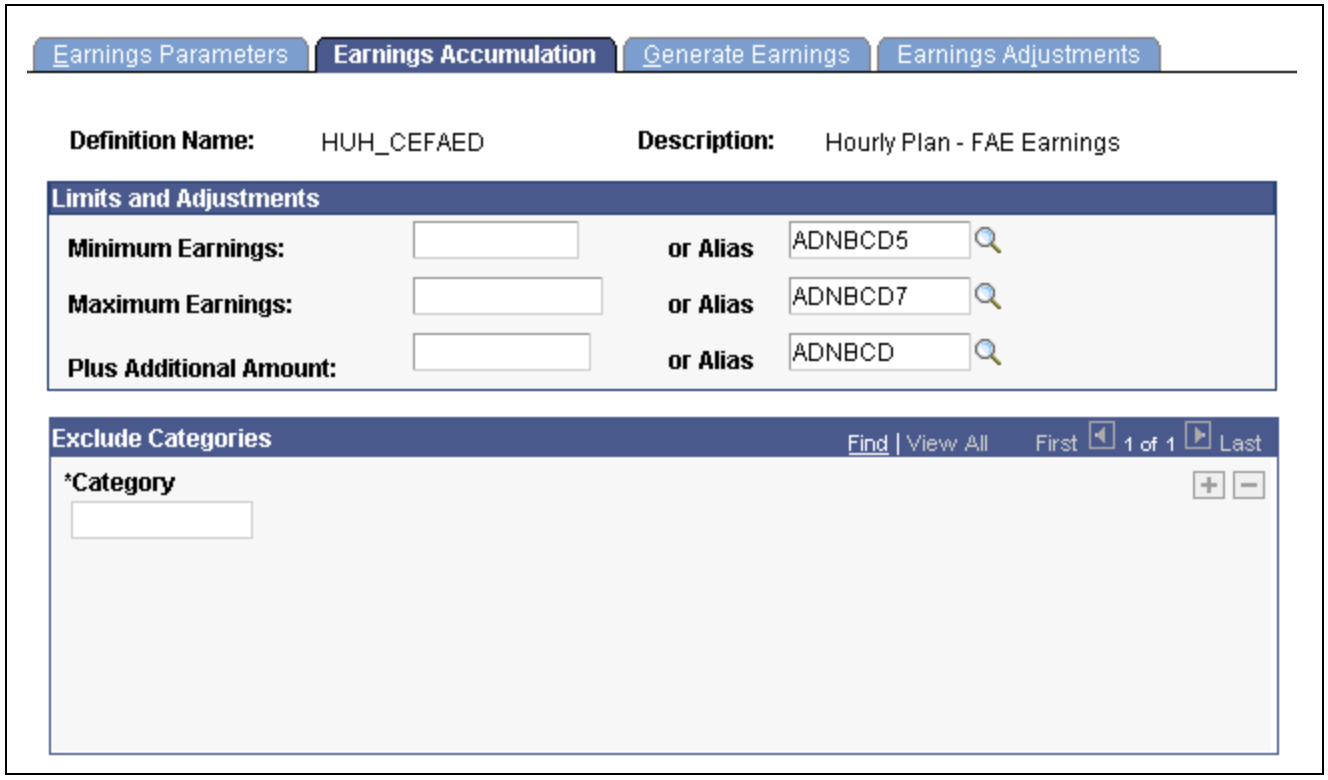
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By blending the payroll earnings and the compensation rate, you can reduce the discrepancy between the months when the employee receives two paychecks and the months when the employee receives three paychecks.

Note that in this example we assume that payroll data is allocated by either paycheck date or payroll end date. Allocating based on earned date is somewhat different. That method spreads earnings more evenly among consolidation periods. It does not necessarily make sense to blend payroll earnings and compensation rate when you allocate the payroll data by earned date. This could make sense, however, if employee earnings vary substantially from period to period due to bonuses or commissions.

Setting Earnings Accumulation Limits and Adjustments

Access the Earnings Accumulation page.



Earnings Accumulation page

Limits and Adjustments

The limits and adjustments apply to all complete consolidation periods, whether full or partial. The system does not apply limits and adjustments before the period end date, so you do not specify this information for most final periods. If you consolidate based on compensation rate, you can also specify statuses for which an employee should not be credited with earnings.

Minimum Earnings To limit the total earnings per period, enter a minimum earnings amount.

Maximum Earnings To limit the total earnings per period, enter a maximum earnings amount.

Plus Additional Amount If you want to add earnings to the period total (subject to a maximum that you set), enter that amount in the Plus Additional Amount field. To subtract earnings, enter a negative number in this field. You can set up all of these fields as either constants or aliases that you create.

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Exclude Categories

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

Note. The Exclude Categories information only applies when you base the earnings consolidation at least partially on compensation rate.

Category Enter each category of action and reason codes for which you ignore earnings. Use the categories you set up on the HR Action/Reason Categories page.

The system does not credit an employee with earnings until the next relevant action and reason event in the employee's job record—in this case, a return from leave. However, the system only recognizes this action as "relevant" if you reference it elsewhere in the consolidated earnings definition.

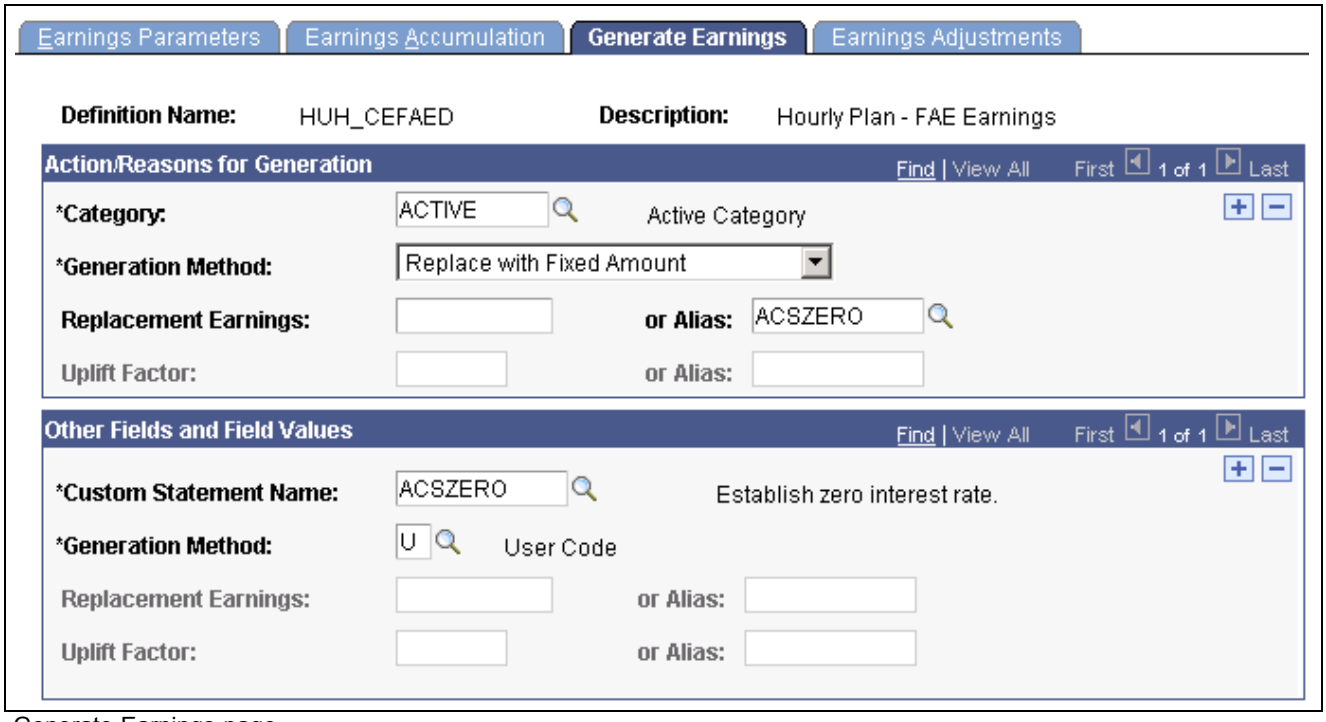
To ensure that the system recognizes the return from leave action (and thus stops excluding earnings), include that action in the Include Category on the Consolidate Earnings - Earnings Adjustments page.

See Also

Chapter 35, "Creating Action and Reason Categories," page 311

Establishing Earnings Generation Methods

Access the Generate Earnings page.



Generate Earnings page

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Establishing Conditions for Earnings Generation

Action/Reasons for Generation You use the fields in this group box to generate earnings based on employee status or other criteria.

Category You can generate earnings based on employee status or on other criteria. Use the Category field to identify the HR action and reason code categories that require generated earnings. You can insert additional rows if necessary.

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

Warning! Do not generate based on custom statements unless you permanently disable the delete-and-rebuild consolidation mode.

If an employee has multiple action-and-reason events that generate earnings for a single period—for example, a military leave and then a disability leave—the events are processed in chronological order. If your generation method replaces earnings for the entire period, earnings generated for the final event replace earnings generated for earlier events.

See Chapter 35, "Creating Action and Reason Categories," page 311.

Ending Earnings Generation

If you generate earnings based on an HR action and reason category, the system uses an employee's action and reason history to determine when to stop the generation. The system continues to generate earnings for the employee until the next relevant action and reason event in the employee's job record. For example, if Belinda goes on leave at the end of 2002 and returns from leave at the beginning of 2004, the system generates earnings for three years: 2002, 2003, and 2004.

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

If you generate earnings based on custom statement criteria, the system generates earnings for all the periods that are processed. If the statement is no longer true during the next processing period, the system does not generate earnings at that time.

Multiple Jobs Considerations for Earnings Consolidations

When you process multiple jobs, the system generates earnings for each job as needed, then adds the results to create a total generated earnings amount for each computation period.

Generation Method For each earnings generation condition that you set up, select a generation method:

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

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- *Replace with Fixed Amount:* If you select this option, specify the fixed amount in the Replacement Earnings field.
- *Replace with Previous Complete:* If you select this option, the system uses the most recent full period earnings from the previous consolidated years. A full period is any period where the partial period fraction is 1.0.
- *Replace with Previous Non-Zero:* If you select this option, the system uses the earnings amount from the most recent period—partial or full—that has non-zero earnings.
- *Uplift with a Factor:* If you select this option, enter the factor in the Uplift Factor field. The actual earnings are then multiplied by the factor to yield the generated amount. For example, if the disability earnings amount is always half of normal earnings, you might uplift the earnings by a factor of two in order to make your consolidation reflect non-disability earnings.

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

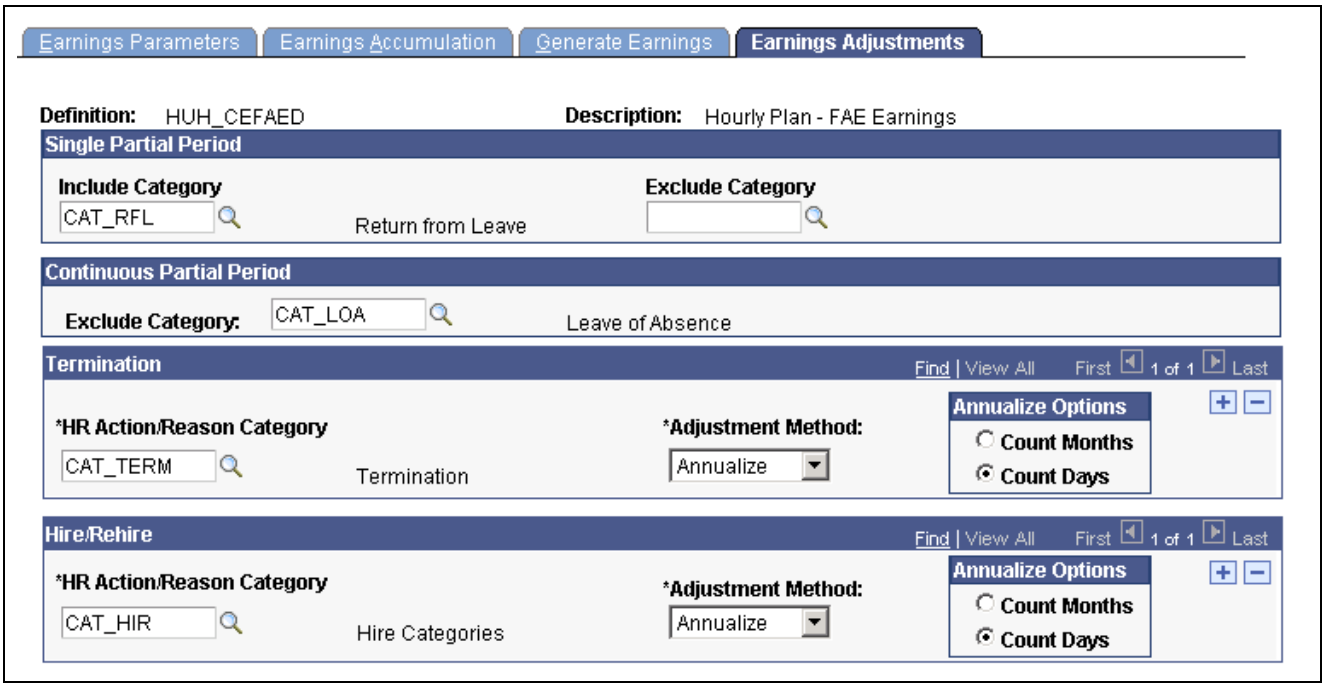
- *User Code:* If you select this option, the system uses your custom code to generate an earnings amount.

Most of the methods replace all the earnings for the period. Only the *Replace with Compensation Rate* method can generate earnings for the period of time during which an employee actually meets the generation conditions. For example, Belinda went on leave at the end of 2002 and returned at the beginning of 2004. If you select *Replace with Compensation Rate,* the system generates earnings for the time she was on leave and adds those earnings to her actual 2002 and 2004 earnings. With any other method, the system overwrites the actual earnings from early 2002 and late 2004 with the generated earnings for those periods.

Establishing Earnings Adjustments

Access the Earnings Adjustments page.

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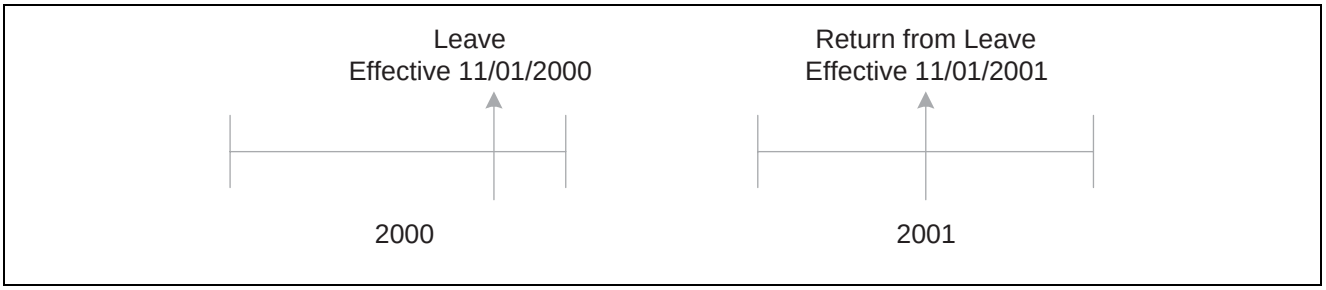


Earnings Adjustments page

Using the Partial Period Fraction

The partial period fraction indicates what portion of a consolidation period an employee actually works. For example, if you consolidate using calendar years and an employee terminates on October 1, 2000, the employee has a partial period fraction of .75 for the 2000 consolidation period. If the employee is rehired the following May 1, the 2001 period has a partial period fraction of .66.

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



Sample action and reason history

The system always determines the partial period fraction by counting the included *days,* not the included months. Because 305 days of the 366 days in 2000 are included, the 2000 fraction is 305/366, or .8330. In 2001, 184 days out of the 365 days are included, and the fraction is .50414.

This example assumes that the leave status continues into the next period. The rules can instead be set up so that the exclude status stops when the consolidation period ends. In that case, Jasmine's 2001 partial period fraction is 1.0, even though she is still on leave for the first part of the period.

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Configuring Include and Exclude Categories

The two types of exclude segments already discussed, generation action and reason codes and "exclude category" action and reason codes (for excluding earnings when you consolidate based on compensation rate), can continue beyond the end of a consolidation period until the next include segment starts.

Single Partial Period In the Single Partial Period group box, enter the Include Category and Exclude Category.

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

Exclude Category Enter an Exclude Category for other action and reason codes that start an exclude segment that stops no later than the end of the consolidation period.

Continuous Partial Period In the Continuous Partial Period group box, enter an Exclude Category for action and reason codes that start an exclude segment that continues until the next "include" action and reason.

Note. Make sure that no action and reason code combination appears in more than one consolidated earnings category. For example, if you generate earnings during maternity leaves and military leaves, do not include either of those leave types in either of the partial period exclude categories.

Multiple Jobs Considerations for Continuous Partial Period

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

Adjusting Hire and Termination Periods

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

In calculating the partial period fraction, hire actions are treated as "include" actions, and termination actions are treated as "exclude" actions.

The consolidation process adjusts a termination period only after a subsequent rehire. For example, if Quentin terminates in 2004, the 2004 consolidation period is his last. If he is rehired in 2006, the system adjusts the 2004 period, creates a zero-earnings 2005 period, and creates a 2006 period. Because the 2006 period includes the rehire action, it incorporates the hire period adjustment method you specify.

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

Adjustment Method For each action and reason category that you set up, select an adjustment method for adjusting the earnings for the resulting partial period:

- *Ignore:* Select this option to ignore this period altogether.

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- *Use As Is:* Select this option to treat the existing earnings as the total earnings for the period. If you want to use the period only if it produces better than average earnings, set up that condition in the Average Earnings definition.

  Note. Be sure that your consolidation and your Final Average Earnings definition use the same method to handle hire and termination periods.

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

  If the consolidation period is months, you must count days. Regardless of the consolidation period, counting days always yields a more accurate result. Counting whole months understates the amount of time over which the earnings are accumulated and therefore overstates total earnings.

  For example, if you annualize calendar year earnings of 15,000 USD as of April 15, you get this result by counting months:

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

  If you annualize the same amount by counting days, you get this result:

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

- *User:* If you select this option, the system uses your custom code to adjust the earnings.

Multiple Jobs Considerations for Adjustment Method

Multiple jobs are generally consolidated one job at a time. Rates and earnings are computed by job, so there is no confusion about the earnings and rates that are used.

Note. When you use the multiple jobs functionality, the system applies minimum and maximum adjustments to the total consolidated earnings of all jobs.

Setting Up Hours Consolidations

To set up hours consolidations including Hours Parameters, Hours Accumulation, Generate Hours, and Define Hours Adjustment, use the Hours Consolidation (HOURS) component.

To set up the rules for hours consolidations, select Set Up HRMS, Product Related, Pension, Components, Hours Consolidation.

To consolidate hours:

1. Determine the accumulation period and the actual hours for the period.
2. Generate hours if necessary.
3. Adjust hire periods if necessary.

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4. Adjust any termination periods preceding a rehire. Note that termination periods are only adjusted if an employee is rehired. Final termination periods are not adjusted by the consolidation process; functions using consolidated data use other parameters for handling the final period.
5. Add any additional hours.
6. Apply any minimums or maximums.

Note. There is no partial period fraction for consolidated hours. Instead, there is a flag that identifies a partial period without specifying the portion of the period worked. Hours are generated for complete periods only.

The Service function gets consolidated hours from the final adjusted amount produced after step six. However, the system also stores the intermediate amounts produced by steps one and two. These intermediate amounts are informational only. They appear on the Review Consolidation Results - Hours History page, but they are not referenced in the calculation.

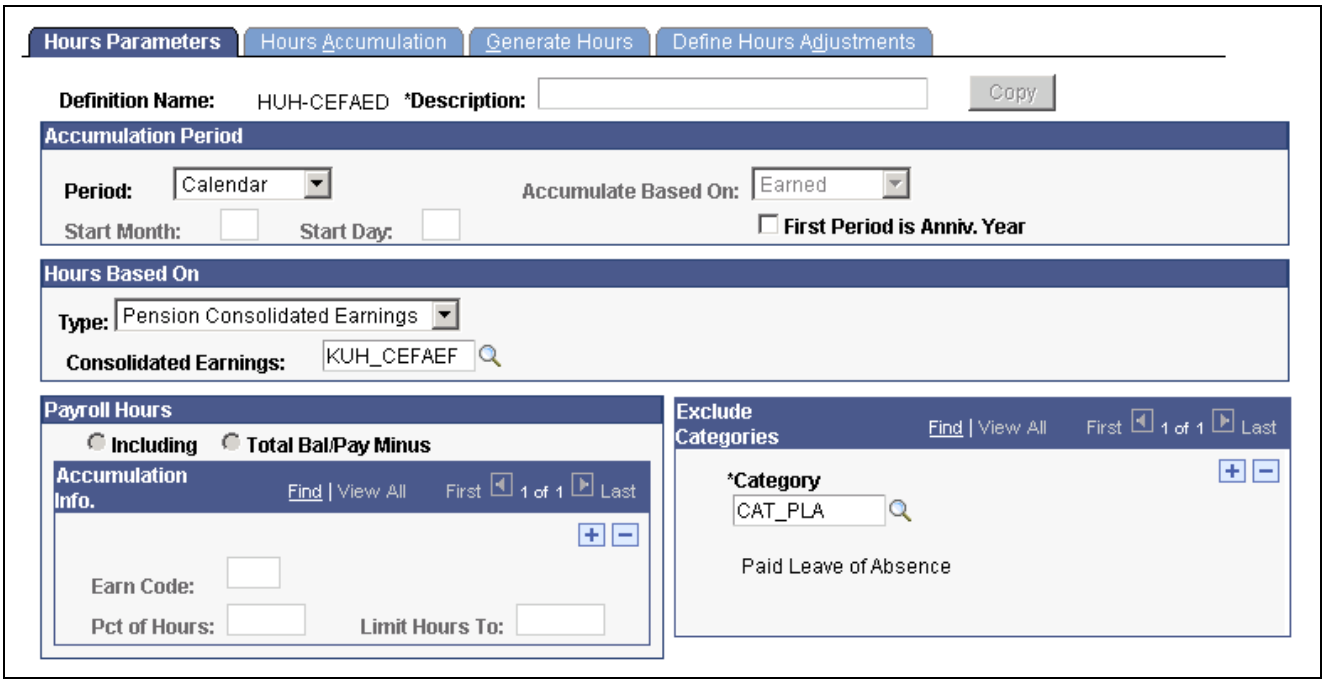
Pages Used to Set Up Hours Consolidations

Page Name	Object Name	Navigation	Usage
Hours Parameters	PA_CONS_HOUR_PARMS	Set Up HRMS, Product Related, Pension, Components, Hours Consolidation, Hours Parameters	Establish the accumulation period, and identify the hours data to include in the periodic totals.
Hours Accumulation	PA_CONS_HOUR_ACCUM	Set Up HRMS, Product Related, Pension, Components, Hours Consolidation, Hours Accumulation	Set up earnings-to-hours conversion methods, and set limits and adjustments. The system does not apply limits and adjustments until after the period end date, so final periods do not have these adjustments.
Generate Hours	PA_CONS_HOUR_GEN	Set Up HRMS, Product Related, Pension, Components, Hours Consolidation, Generate Hours	Set up conditions and methods for generating hours.
Define Hours Adjustments	PA_CONS_HOUR_ADJ	Set Up HRMS, Product Related, Pension, Components, Hours Consolidation, Define Hours Adjustments	Establish the criteria for determining whether a period is a partial period. Set up parameters for adjusting hire and termination periods.

Establishing Hours Parameters

Access the Hours Parameters page.

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Hours Parameters page

Copy

Consolidated hours definitions can be quite complex. This is a shortcut you can use to copy a similar definition. Establish the first definition, click the Copy button, enter a new name and description, and the system clones the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead of copying an existing definition.

Setting Up the Accumulation Period

Accumulation Period

The consolidation process produces periodic hours totals, which provide a period-by-period hours history. Enter the appropriate accumulation period:

- *Monthly:* Select this option to use the calendar month.
- *Calendar:* Select this option to use the calendar year.
- *Annivers:* Select this option to use an employee's anniversary year.
- *Plan Year:* Select this option to use the plan year.
- *Other Year:* Select this option to use a year for which you indicate the start and end dates. Specify these in the Start Month and Start Day fields. Use a number (1-12) to represent the month. The day is usually the first of the month.

The accumulation period must align with the accumulation period for the Hours Counting Service definition where you use your consolidated hours. Because the service definition does not support the *Other Year* option, you do not use that option in your consolidated hours definition—unless you make modifications.

First Period is Anniv. Year

For computation periods other than an anniversary year, an employee's first period is usually a short period. If your service definition gives employees the

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benefit of a full year for the first period, selectFirst Period is Anniv. Year. If you do this, your adjusted first period overlaps the second period.

For example, if the usual computation period is a calendar year, an employee hired on March 5, 2000 has the following computation periods: The first period is March 5, 2000 to March 4, 2001, and the second period is January 1, 2001 to December 31, 2001.

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

Indicating the Hours Basis

Hours Based On

The hours used for consolidation are based on information from your payroll system. Specify which hours to use in the Type field:

- *Pension Consolidated Earnings:* If you select this option, enter the earnings consolidation name in the Consolidated Earnings field. Be sure the earnings period is the same as the hours consolidation period.
- *Payroll Hours:* If you select this option, you need to indicate how to allocate hours to the accumulation periods. You also specify the types of hours to include: regular, overtime, and others.
- *Payroll Special Accumulator:* If you select this option, use the Special Accum field to indicate which payroll accumulator holds the pensionable hours.
- *Earnings Balance Tables:* If you select this option, you access hours that have already been subtotaled to produce month-, quarter-, and year-to-date balances. As long as you allocate earnings based on Earned Date, the system prorates these amounts to find hours for the consolidation period. The results are the same as if you select *Payroll Hours* and allocate earnings based on the Pay Check Date, but the payroll system does much of the work for you. If your consolidation period is a month or calendar year, it is more efficient to use earnings balance tables.
- *Payroll W2:* If you select this option, the system gets the data from the appropriate payroll table. Again, as long as you allocate hours based on Earned Date, the system prorates these amounts to get hours for the consolidation period.

Note. *Pension Consolidated Earnings* and *Payroll W2* are used for earnings, not hours. Options for converting earnings to hours are on the Hours Accumulation page.

Multiple Jobs Considerations for the Hours Based On Group Box

If you use the multiple jobs functionality and the consolidated hours are based on pension consolidated earnings or the payroll W-2, the earnings consolidations need to be converted to hours consolidations. For multiple jobs processing, the primary job rate at the beginning of the accumulation period is used to “back into” the hours.

Allocating Hours to Periods

Accumulate Based On

If you base your hours on *Pension Consolidated Earnings, Earnings Balance Table,* or *Payroll W2,* your hours data is already aligned with your consolidation period and you can ignore the Accumulate Based On field.

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If you base your hours on pay period data—that is, you base hours on *Payroll Hours* or *Payroll Special Accumulator*—you need to align your payroll dates with your consolidation dates. Select the period into which earnings fall by selecting a value for Accumulate Based On:

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

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

- *Pay Run* puts hours into the period containing the last day of the pay period.
- *Pay Check* puts hours into the period containing the date printed on the paycheck.

Indicating Included Hours

Payroll Hours If you base your hours on actual payroll hours, complete the Payroll Hours section of this page. Select one of the following:

- *Including:* If you select this option, you need to specify the hours types to include.
- *Total Bal/Pay Minus:* If you select this option, you need to specify the hours types to exclude. You select them in the Exclude Categories group box.

Earn Code Enter the earnings codes associated with the pensionable hours. You can insert additional rows as necessary.

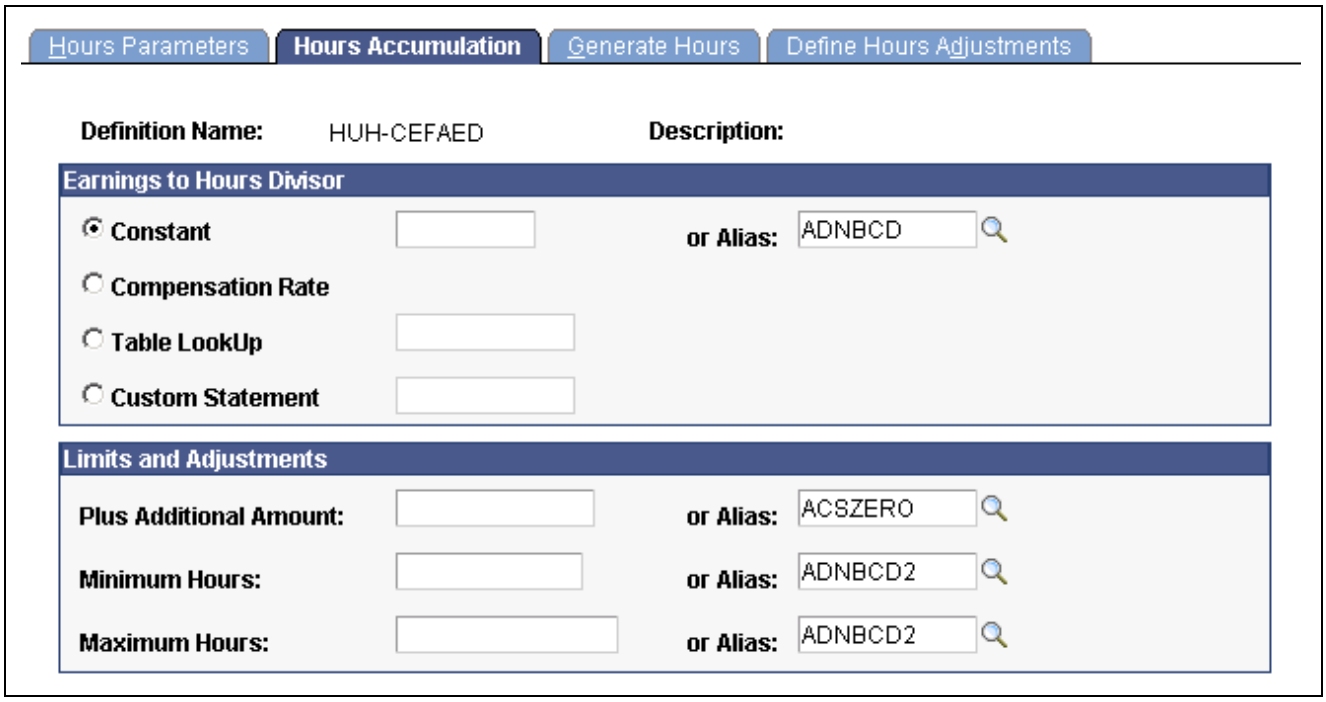
Pct of Hours You can adjust the number of hours for an earnings code by entering an adjustment percentage. For example, you can use 100 percent of regular hours and 50 percent of overtime hours. If you select *Total Bal/Pay Minus* to list excluded hours, you can specify *50* here to exclude 50 percent of the overtime hours.

Limit Hours To If you specify a number here, the number of hours for the associated earnings code cannot exceed that number.

Setting Up Hours Accumulation

Access the Hours Accumulation page.

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Hours Accumulation page

Using the Earnings to Hours Divisor

Earnings to Hours Divisor If you base your hours consolidation on any of the earnings options, you can convert the earnings to hours with simple division. Select one of these options to indicate the divisor:

- *Constant:* Select this option to use a constant value. Set up this value as either a fixed amount or an alias that you create.
- *Compensation Rate:* Select this option to use the compensation rate that is effective at the beginning of the consolidation period.
- *Table LookUp:* Select this option to look up the divisor in the specified table.

  See Chapter 30, "Creating Table Lookup Aliases," page 257.
- *Custom Statement:* Select this option to use the specified custom statement.

  See Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," page 297.

Setting Limits and Adjustments

All of the fields listed here can be either constants or aliases that you create.

Plus Additional Amount If you want to add hours to the period total (subject to any maximum you set), enter these hours here. To subtract hours, enter a negative number.

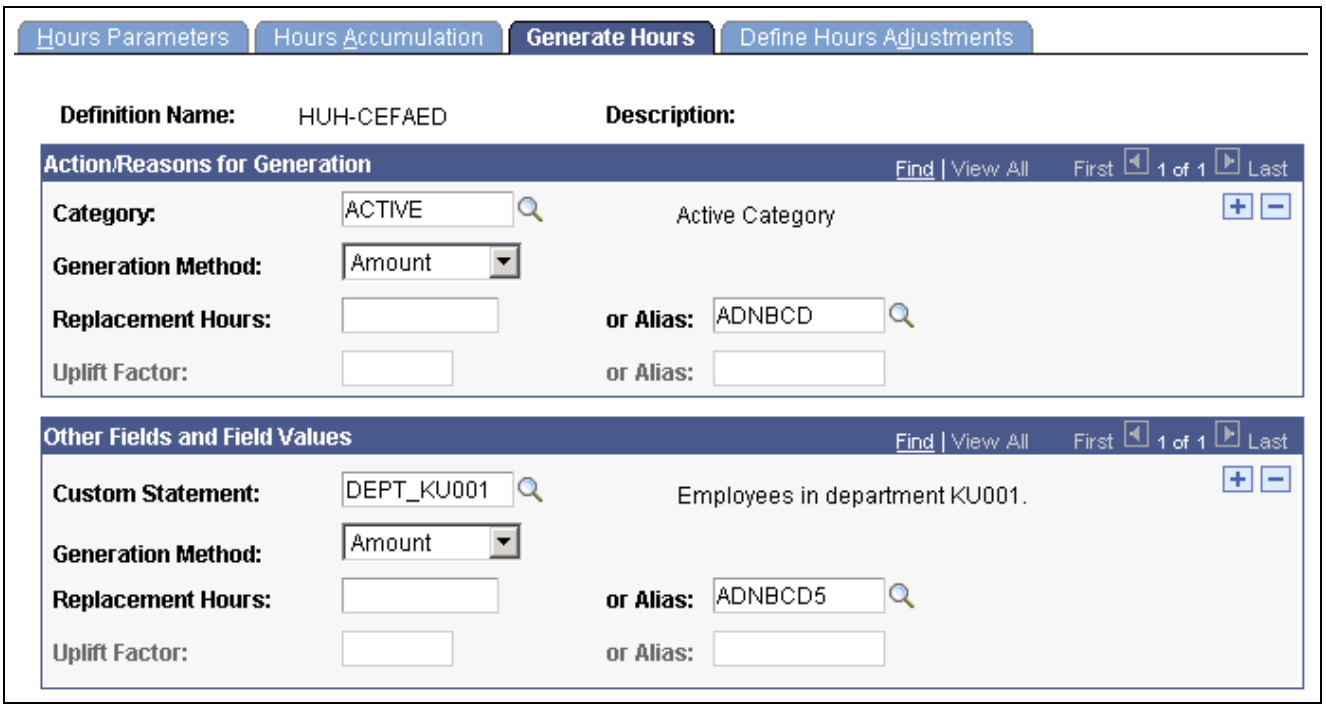
Minimum Hours To limit the total hours per period, enter the minimum number of hours. Also enter Maximum Hours.

Maximum Hours To limit the total hours per period, enter the maximum number of hours. Also enter Minimum Hours.

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Setting Up Hours Generation

Access the Generate Hours page.



Generate Hours page

Setting Up Actions and Reasons for Hours Generation

Category Use the Category field to identify the HR action and reason code categories that require generated hours. You can insert additional rows as necessary.

Custom Statement To indicate other conditions for hours generation, you first have to set up a custom statement specifying these conditions. Enter the name of the custom statement in this field. If the custom statement conditions are met, the system generates hours for all periods that it processes. This means that during a delete-and-rebuild consolidation, which processes several periods at once, the system might generate hours for all periods.

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

See Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," page 297.

Ending Hours Generation

If you generate hours based on an HR action and reason category, the system uses an employee's action and reason history to determine when to stop generating hours. The system continues to generate hours for the employee until the next relevant action and reason event in the employee's job record. For example, if Liam goes on leave at the end of 2002 and returns at the beginning of 2004, the system generates hours for three years: 2002, 2003, and 2004.

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

If you generate hours based on custom statement criteria, the system generates hours for all periods that are processed. If the statement is no longer true during your next period processing, then the system does not generate hours for that period.

Generation Method

For each hours generation condition that you set up, select a generation method:

- *Amount:* If you select this option, the system replaces hours with the fixed amount that you enter in the Replacement Hours field. You can set it up as either a constant or an alias that you create.
- *Complete:* If you select this option, the system uses the most recent full ("complete") period hours from previous consolidated years. The partial period flag indicates which periods are partial periods and which are full periods.
- *factor:* If you select this option, the system multiplies the actual hours by the uplift factor that you specify, giving the generated amount. For example, if disability hours are always half of normal hours, you might uplift the hours by a factor of two in order to make your consolidation reflect non-disability hours. Enter the factor in the Uplift Factor field. You can set it up as either a constant or an alias that you create.

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

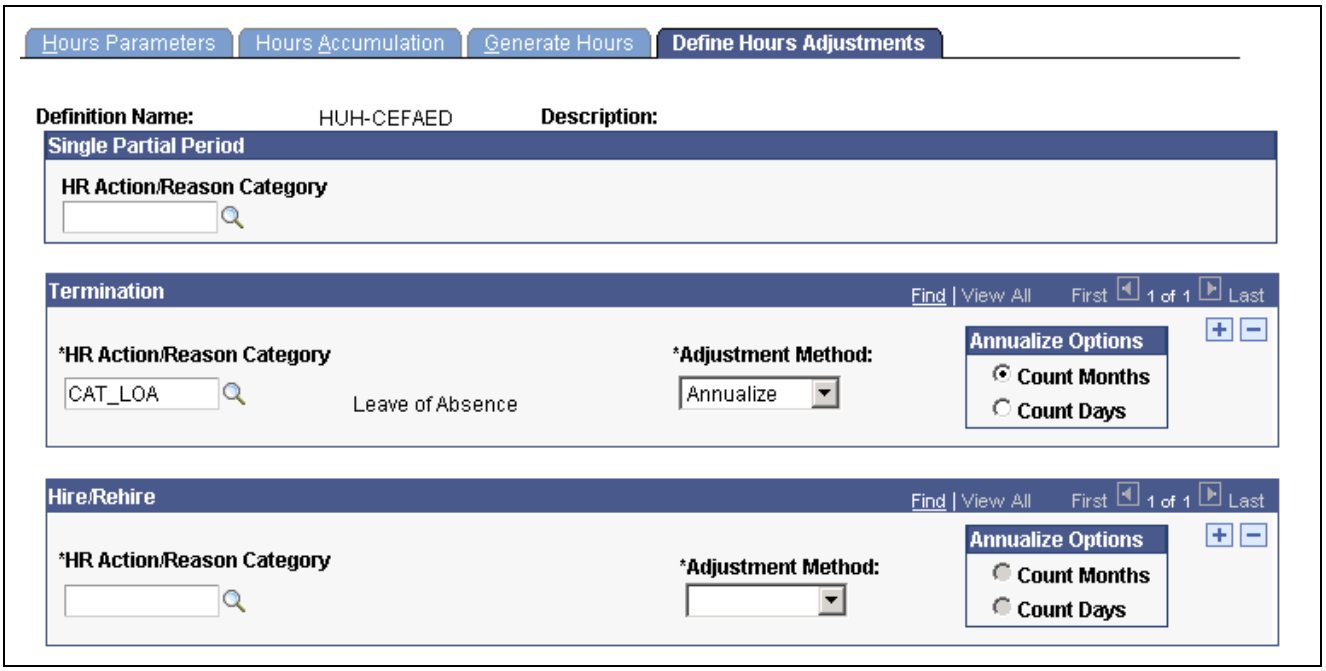
- *Non-Zero:* If you select this option, the system uses the hours from the most recent period—partial or full—that has non-zero hours.
- *User Code:* If you select this option, the system uses the specified custom statement to generate the hours.

All of these methods replace all the hours for the period. For example, consider Liam, who went on leave at the end of 2002 and returned at the beginning of 2004. If you generate hours during his leave, the system overwrites the actual hours from early 2002 and late 2004 with the generated hours for those periods.

Defining Hours Adjustments

Access the Define Hours Adjustments page.

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Define Hours Adjustments page

Unlike Consolidated Earnings, the Consolidated Hours function does not produce a partial period fraction. It does, however, produce a partial period flag to identify partial periods. This flag is used during hours generation if the generation method is *Complete.*

Defining Partial Periods

Single Partial Period — In the Single Partial Period group box, identify the action and reason categories that indicate partial periods.

HR Action/Reason Category — Enter an HR Action/Reason Category with all the action and reason codes that indicate a partial period. For example, you might include action and reason codes for leaves of absence and returns from leaves. This information is used to set a partial period flag for the period. There is only one field for single partial periods, so you have to create a single category with all the relevant action and reason combinations.

The single partial period category should not include action and reason codes that appear in any other action and reason categories in this definition, including generation categories, exclude categories, and hire and termination categories.

Using Termination and Hire/Rehire

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

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

Adjustment Method — The consolidation process only adjusts a termination period after a subsequent rehire. For example, if Quentin terminates in 2004, the 2004 consolidation period is his last. If he is rehired in 2006, the system then adjusts the 2004

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period, creates a zero-hours 2005 period, and creates a 2006 period. Because the 2006 period includes the rehire action, it incorporates the hire period adjustment method you specify.

For each action and reason category you enter, select an Adjustment Method for adjusting the hours for the resulting partial period:

- *Ignore:* Ignores this period altogether.
- *Use As Is:* Treats the existing hours as the total earnings for the period.
- *Annualize:* If you select this option choose one of the Annualization Options: Count Months or Count Days.

  If you count months, the system divides the hours by the number of whole months in the included portion of the period, then multiplies the result by twelve, the total number of months in the year. If you count days, the system divides the hours by the number of included days in the period, then multiplies the result by the number of days in the month.

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

  For example, if you annualize 600 calendar year hours as of April 10 by counting months, you get this result:

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

  If you annualize the same hours by counting days, you get this result:

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

- *User:* If you select this option, the system uses your custom code to adjust hours.

Note. Be sure to use the same methods here for handling hire and termination periods here that you use in your Service definition.

Consolidating Contributions

To consolidate contributions, use the Contributions Consolidation (CONTRIBUTIONS) component.

This section provides an overview of contributions consolidation and lists the page used to generate contributions consolidation.

Understanding Contributions Consolidation

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

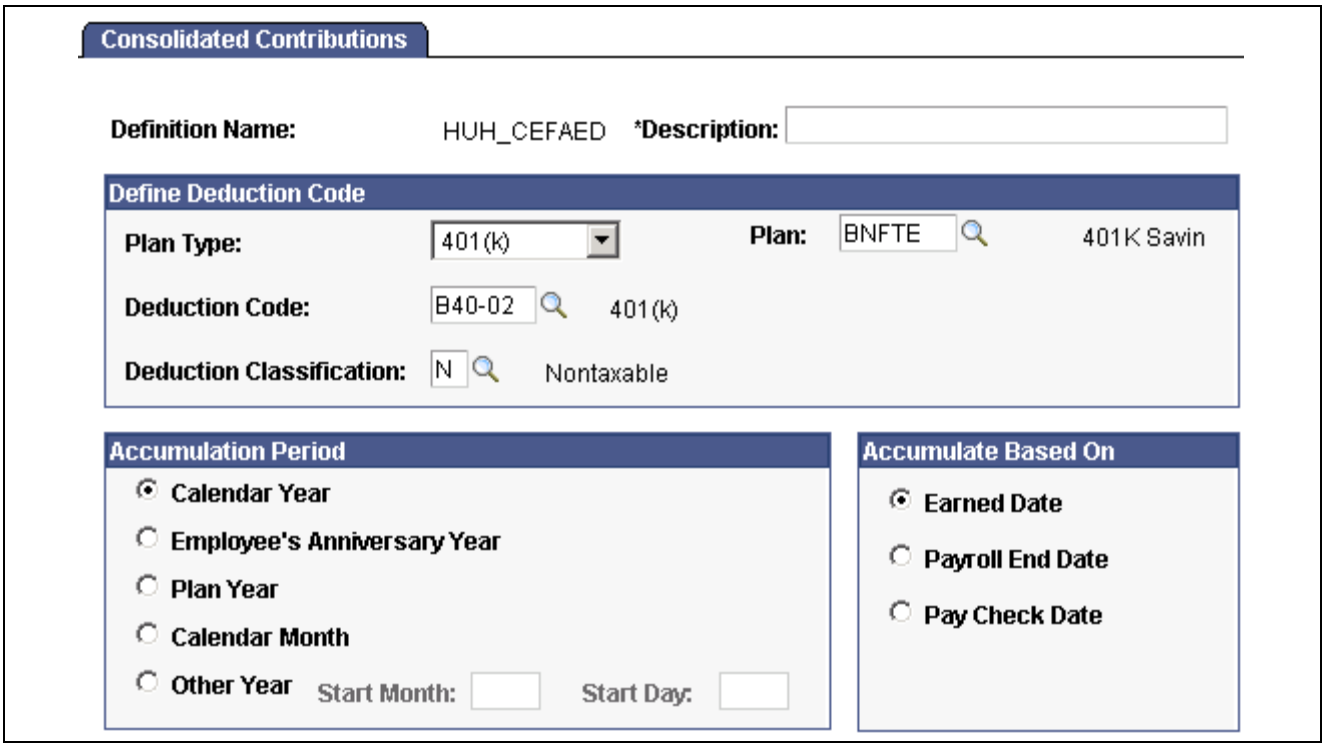
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Page Used to Consolidate Contributions

Page Name	Object Name	Navigation	Usage
Consolidated Contributions	PA_CONS_DED_PARMS	Set Up HRMS, Product Related, Pension, Components, Contributions Consolidation, Consolidated Contributions	Produce annual or monthly totals of consolidated contributions.

Setting Up Consolidated Contributions

Access the Consolidated Contributions page.



Consolidated Contributions page

Defining Deduction Code

Plan Type and **Plan**

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

When you set up consolidations to track service buyback or service purchase payments, you use a "general" deduction rather than a plan-specific deduction. In that case, the plan type is *00 - General,* and you do not enter a plan.

Deduction Code

Enter the code that is used to identify payroll deductions.

Deduction Classification

Enter the value, *After-Tax, Before-Tax, Nontaxable, PTax Ben*or *Taxable,* that goes with the deduction code. The deduction code must already exist and must already be associated with the indicated plan on the Benefit Plan table.

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

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Accumulation Period

Accumulation Period Consolidated contributions are subtotaled by accumulation period. Use one of the following options to indicate the type of accumulation period: *Calendar Year, Employee's Anniversary Year, Plan Year, Calendar Month,* or*Other Year*.

This accumulation period must align with the accumulation period for the Employee Accounts definition where you use your consolidated hours. Because the service definition does not support the *Employee's Anniversary Year* and *Other Year* options, do not use these options unless you make modifications.

Start Month/Day If you select *Other Year,* you also need to specify the Start Month and Start Day of that year. Use a number (1-12) to represent the month.

Accumulate Based On

Because contribution data comes from payroll, you need to align your payroll dates with your consolidation periods. Select the period into which earnings fall into by selecting an Accumulate Based On option.

Earned Date Select this option to divide total contributions for the pay period evenly among days in the period to produce daily contribution amounts. For example, a contribution deducted from a paycheck that covers the one-week period June 26–July 2 includes pay from both June and July. It is prorated so that 5/7 of the earnings falls in the June period and 2/7 of the earnings falls in July.

Note. Proration by day always includes all days in a consolidation period, not just work days.

Payroll End Date Select this option to put contributions into the period containing the last day of the pay period.

Pay Check Date Select this option to put contributions into the period containing the date printed on the paycheck.

See Also

Chapter 8, "Setting Up Contributory Plans," page 45

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CHAPTER 12

Defining Plan Eligibility

This chapter provides an overview of plan eligibility and discusses how to:

- Use plan eligibility.
- Set up plan eligibility requirements.

Understanding Plan Eligibility

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

The Plan Eligibility process is always the first process in your calculation job stream. This keeps you from processing ineligible employees.

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

Eligibility and participation are not the same thing. Eligibility is based on job criteria, such as company, union affiliation, and job classification. Eligibility establishes that the job an employee performs entitles the employee to participate in a pension plan. However, an eligible employee isn't necessarily a plan participant. For example, there may be age and service requirements that an eligible employee hasn't yet met. These requirements are handled by the participation function.

See Also

Chapter 13, "Defining Plan Participation," page 95

Using Plan Eligibility

The plan eligibility function establishes which of your employees can participate in a plan. The eligibility criteria are based on job data that your PeopleSoft Enterprise Human Resources system tracks, such as salaried or hourly status, full-time or part-time status, and location. Eligibility status can change as, for example, employees change jobs, unions, and full-time or part-time status.

Plan eligibility provides two critical pieces of information for an employee:

- Eligibility status.

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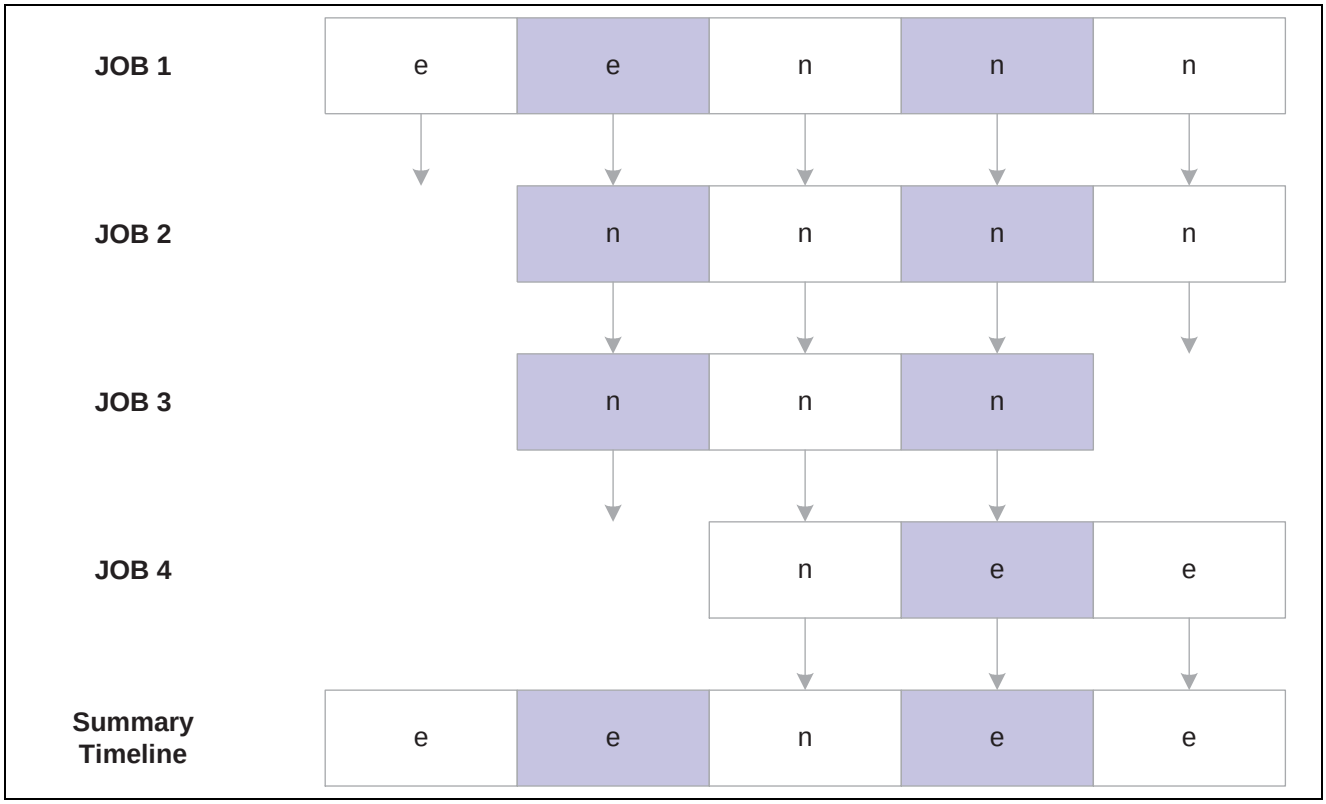
This status indicates whether or not the employee has ever been eligible for the plan. The system assumes that an ineligible employee does not accrue any benefits. Therefore, a calculation does not finish when the eligibility status (or participation status) is negative.

- Timeline of eligible and ineligible periods.

  This is complex because certain functions—for example, consolidations, service, and cash balance accounts—use different rules during periods of eligibility and ineligibility. Most benefits accrue only during eligible periods. You reference the eligibility timeline when you create the function results for those functions. You do this using options that indicate whether the rules apply during periods of eligibility, ineligibility, or both.

Using Plan Eligibility for Employees with Multiple Jobs

For employees with only one job, the plan eligibility function creates one timeline of eligible and ineligible periods. For employees with multiple jobs, the function uses a blending process to create a summary timeline of all eligible and ineligible periods from all of an employee's jobs. First the system creates a timeline for each job, then it combines them into one summary timeline. If an employee was eligible in any of his jobs during a time period, the system considers him to have been eligible for that period, even if the employee was ineligible in all of his other jobs at that time.



Employee eligibility timeline

This diagram illustrates how the system blends an employee's job eligibility timelines to form one summary timeline. In this example, an employee has had four jobs at Company A. The summary timeline demonstrates that the system considers the employee eligible (e) for any period in which he has at least one eligible job, even if his other three jobs do not fulfill eligibility standards (n).

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Periodic Processing and the Plan Eligibility Process

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

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

Setting Up Plan Eligibility Requirements

Set up your plan requirements on the Custom Statement page, using the non-editable statement type *P* (plan eligibility).

Note. Before setting up eligibility parameters, be sure you understand the proper syntax for Boolean clauses. This information is in the chapter "Using Custom Statements and Spouse Eligibility Statements."

The remainder of this section summarizes the information that you are most likely to need while building eligibility formulas.

See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," page 297

Setting Eligibility Requirements

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

Using IN Clauses

Use a clause with the keyword IN to check for several different values for a single field. For example, you can check whether the employee status is in the set of values active, deceased, leave, and leave with pay. When you use IN clauses, you assign a temporary variable to the result. You can then reference that variable from within an IF clause.

Key	Operand1	Op1	Operand2	Op2	Operand3	Type
IN	UNION_CD		"81"			FUNCTION
	"82"		"83"	=	TEMPC01	FUNCTION
IF	TEMPC01	==	"Y"	AND		BOOLEAN
	EMPL_ TYPE	==	"S"			BOOLEAN

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This is a useful technique when you're checking a large set of valid values because the IN statement uses an implied OR condition. It separates all the OR clauses from the AND clauses of the final IF statement.

You can use an IN clause as your eligibility criteria as long as you make a final assignment to the definition name, as illustrated in this table:

Key	Operand1	Op1	Operand2	Op2	Operand3	Type
IN	UNION_CD		"81"			FUNCTION
	"82"		"83"	=	ELIG_DEF	FUNCTION

Using the Equation and Description Fields

On the Custom Statement page, use the EQU (equation) button to toggle the long text field at the bottom of the page between:

- A description field, where you can enter information about the formula.
- An equation field that translates your statement into an equation, using parentheses to show the precedence among the operations. Always check the parentheses in an equation.

Note. You can use the EQU button to refresh an equation.

Using History

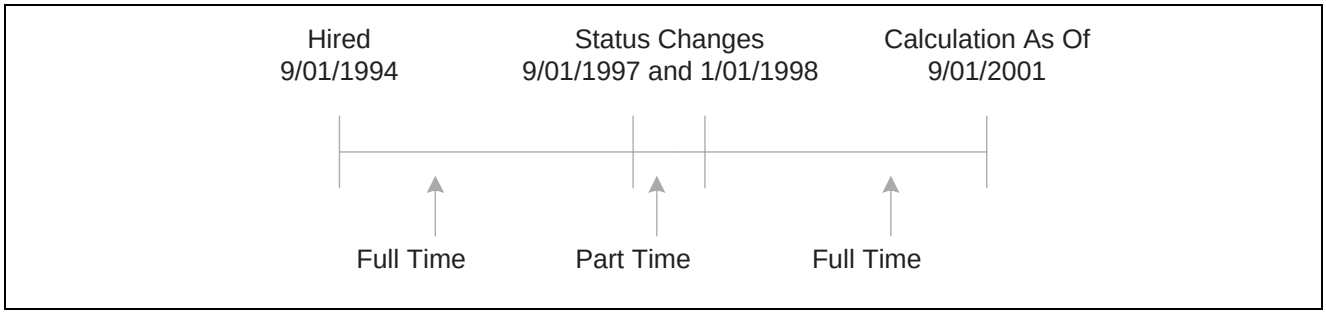
When you calculate plan eligibility, a custom statement evaluates the eligibility requirements over time and builds a timeline of eligible and ineligible periods. This feature is key to implementing your plan rules. To use it, select the History check box under any effective-dated variable.

For example, suppose you are setting up a group for full-time employees:



Group definition based on historical data

Because History is selected under the alias *FORP_TIME,* the system looks at an employee's full- or part-time status over time when determining eligibility. If Julius Jones works part-time for three months, the plan eligibility function produces the following three work history segments:



Work history segments

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Formatting Date Constants

You can enter an unformatted date in most PeopleSoft pages. For example, in most pages the system automatically reformats 01011004 (January 1, 2004) as 01/01/2004. However, if you enter an unformatted date in one of the Operand fields, the system treats it as a number. To tell the system that the eight digits represent a date and not a number, either:

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

Note. The Custom Statement page requires you to enter eight-digit dates that include the century in the year. This is different from most PeopleSoft pages, which accept six-digit dates. For example, in the Custom Statement page, enter January 1, 2005 as 01/01/2005, not as 01/01/05.

When you use a date alias, there's no reason to select the Date check box. The system already knows the value is a date and formats it appropriately.

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CHAPTER 13

Defining Plan Participation

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

- Define participation requirements.
- Calculate the participation date.

Understanding Plan Participation Definition

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

If you have a service requirement, you must create a service function result to measure service for participation purposes. This may be different from the service function result used when measuring plan service accrual. This is because participation service often measures service from hire date, whereas plan service usually measures service from participation date.

Participation Results

A participation function result returns:

- A yes or no status for the given event date.
- The date, actual or projected, when the employee met or will meet the participation requirements.

The participation function result name references the status.

When the participation status is *Not Participating,* the calculation ends without calculating a benefit. While this is normally the only use for the participation status result, you can reference this status for other reasons.

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

You can integrate participation requirements into other functions (such as service) by referencing the participation date. For example, on the service parameter pages you can exclude service prior to this date.

Refer to the participation status (the yes or no result) to incorporate, for example, participation requirements into a custom statement with criteria such as the following: `If participation status equals Y`

See Also

Chapter 33, "Using Function Result and Actuarial Factor Aliases," Understanding Function Result Aliases, page 289

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Defining Participation Requirements

To define participation requirements, use the Participation (PARTICIPATION) component.

This section provides an overview of the Participation page, lists the page used to define participation requirements, and discusses how to enter participation requirements.

Understanding the Participation Page

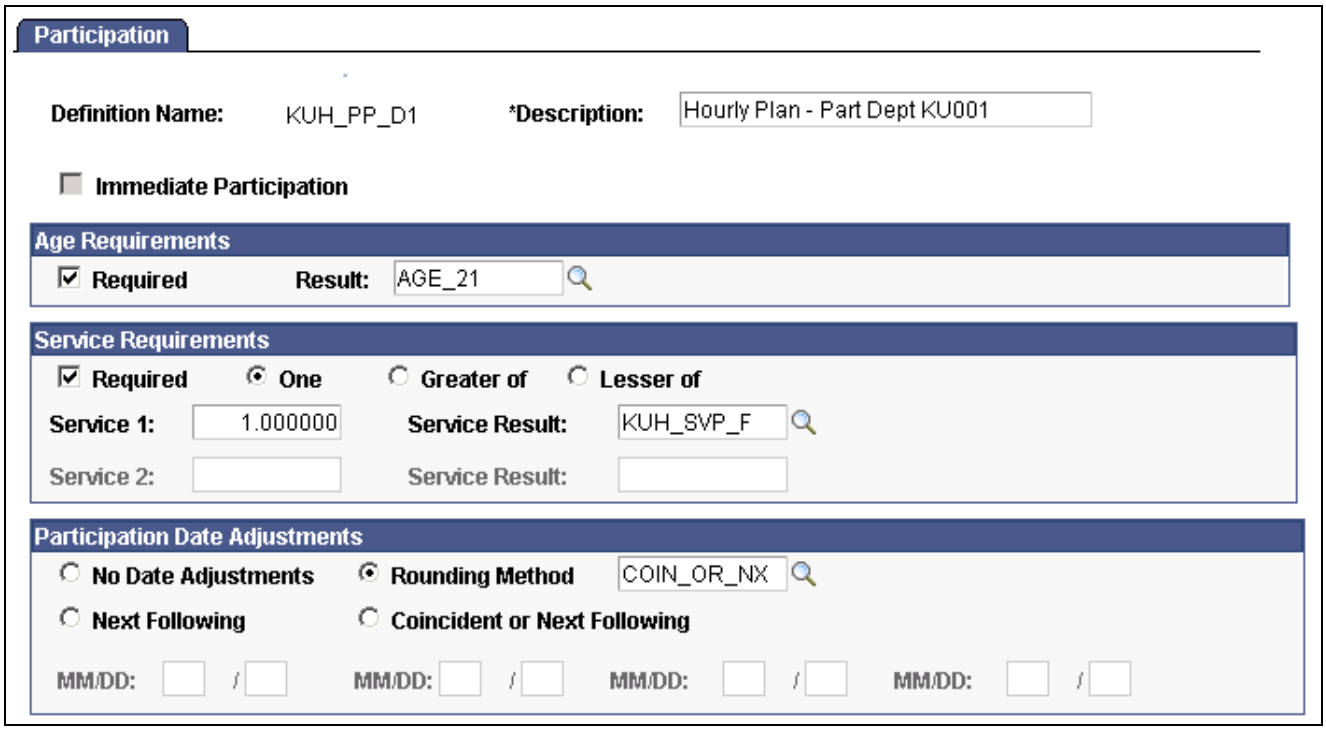
Use the Participation page to define participation requirements.

Page Used to Define Participation Requirements

Page Name	Object Name	Navigation	Usage
Participation	PA_PARTIC_PARMS	Set Up HRMS, Product Related, Pension, Components, Participation	• Enter age and service requirements. • Enter date adjustments or allow immediate participation.

Entering Participation Requirements

Access the Participation page.



Participation page

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Establish Immediate Participation

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

Age Requirements

Required Select if the plan has a service requirement.

Result Enter a date alias result for the date when an employee meets the age requirement—for example, a date alias that adds 21 years to the employee's date of birth.

See Chapter 31, "Using Date Aliases and Date Options," page 267.

Service Requirements

Required Select this option if the plan has a service requirement.

You can enter one or two service requirements. Select One if there is a single service requirement. Otherwise, indicate whether employees begin participation after meeting the Greater of (the later of) or the Lesser of (the earlier of) the two requirements.

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

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

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

See Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363.

Participation Date Adjustments

No Date Adjustments Employees may not become eligible to participate on the exact date when they meet the participation requirements specified above. They may have to wait, for example, until the following month or the following quarter.

Select No Date Adjustments if the plan has no such adjustments.

Rounding Method Use this option, for example, to round to the first day of the following month. Indicate the method in the adjoining field.

Next Following and **Coincident or Next Following** Use to set specific plan entry dates, up to four per year. The participation date is delayed until the next of the specified dates. Indicate the entry date or dates in the MM/DD (month and day) fields—for example, 1/1, 4/1, 7/1, and 10/1 for quarterly plan entry dates. If you set up the adjustment on 6/25, participation begins on 7/1.

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See Also

Chapter 31, "Using Date Aliases and Date Options," page 267

Working with the Participation Date

This section discusses how to:

- Determine the participation date.
- Handle multiple definitions of participation.

Determining the Participation Date

If participation is based on age, the participation date is the same day an employee attains the specified age, subject to any date rounding or plan entry date adjustments you specify.

If participation is based on service, however, the system doesn't necessarily determine the exact date an employee attains the specified amount of service. Instead, the system:

1. Looks at the service history to find the period when the employee attained the specified amount of service.
2. Uses the first day of the next period.

How exact this date is depends on how you set up your service requirement.

If participation requires one year of elapsed time, set up an elapsed time service definition to use months or anniversary years. Employees who attain one year of service in exactly a year use the day after their one-year anniversary as the participation date. Results are less accurate for employees who don't attain a full year of service during their first year—for example, because of leaves of absence.

You generally attain greater accuracy in calculating the participation date by measuring participation service in months rather than years. If you use months, the system sets the first day of the next period to within a month of the actual participation date, rather than to within a year of the date.

For greater accuracy, you can create a date alias or a series of aliases that adjust the participation date. You then use this alias instead of the participation date anywhere that you require this information.

Finally, you can set up the participation date using a date alias to begin with, then enter that date alias as the age requirement in the participation parameters. Even though the alias doesn't necessarily reflect the date when the employee attains a specific age, it does reflect the date that the employee meets participation requirements.

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

Handling Multiple Definitions of Participation

The system applies the participation definitions that are effective for a given time period.

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

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CHAPTER 14

Defining Service and Break Rules

This chapter provides an overview of service and break rules and service definition types and discusses how to:

- Use service results.
- Set up service function results for multiple jobs.
- Set up break rules.

Understanding Service and Break Rules

Service rules can be very complex. The system has three components, each containing parameters specific to a particular service calculation method. Service rules present options for the elapsed time, hours counting, and hours equivalence calculation methods. In addition, there is a separate component to define break rule and service restoration.

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

See Also

Chapter 20, "Defining Employee Accounts," page 163

Chapter 8, "Setting Up Contributory Plans," page 45

Understanding Service Definition Types

Pension Administration provides pages for three types of service calculation: elapsed time, hours counting, and hours equivalence.

An elapsed time method calculates service by measuring the time between two dates—for example, the time between hire and termination dates. The timeline may be adjusted for leaves of absence and other statuses. The amount of service credited does not depend on the hours worked during a time period.

Alternatively, the hours methods determine service for each computation period based on the hours accumulated during that period. These methods require parameters for converting hours to service units. The hours counting methods use the number of hours worked in a computation period. They require hours data, which is provided by the hours consolidation process. An hours equivalence method credits employees with a predetermined number of hours per period.

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Many of the service parameters are common to multiple definition types—for example, final adjustment parameters. Several pages, therefore, appear in multiple components.

See Also

Chapter 15, "Counting Periods of Service," Setting Up Elapsed Time Service, page 106

Chapter 15, "Counting Periods of Service," Setting Up Hours Counting Service, page 120

Chapter 15, "Counting Periods of Service," Setting Up Hours Equivalence Service, page 130

Using Service Results

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

- In the benefit formula.
- In a vesting definition.
- In a participation definition.
- In any other function with a service basis.

You can use service for many different purposes, so it's possible that you'll need more than one service function result. For example, it is common to set up one function result to calculate service for participation, another for vesting, and another for the service component of the benefit formula.

For any service function result involving multiple service definitions, the Service Definition and Service Final Handling pages must be coded identically within each effective date section of the Function Result page.

Note. There can be only one type of service definition within one effective-dated row of a service result.

Setting Up Service Function Results for Multiple Jobs

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

To deal with this complexity, the system creates a "blended" actions-and-reasons timeline that includes each job's actions and reasons. Because information is lost during this process—that is, which job created which actions—the system does part of the computation before the blending process and other computations afterward.

When setting up service function results for multiple job processes, you must decide:

- Which jobs to include in the service calculation.

  If you want to include all jobs in the service calculation, on the Function Result page under Multiple Jobs, select Use All Jobs. If you want to include only jobs for which an employee is eligible, select Use Eligible Jobs Only.
- When an employee is accruing service.

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When you consider which pension status to give an employee, it is sometimes necessary to determine whether the employee is accruing service at a given point in time. This information is not saved unless you specifically tell the system to store it. To save this pension status information, select For Pension Status Codes.

See Also

Chapter 41, "Setting Up Function Results," Adding a Function Result, page 354

Setting Up Break Rules

To set up service break rules and waiting periods for service restoration, use the Service-Break Rules (BREAK) component.

This section provides an overview of break rules, lists the pages used for break rules, and discusses how to:

- Set up break restore rules.
- Set up break wait rules.

Understanding Break Rules

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

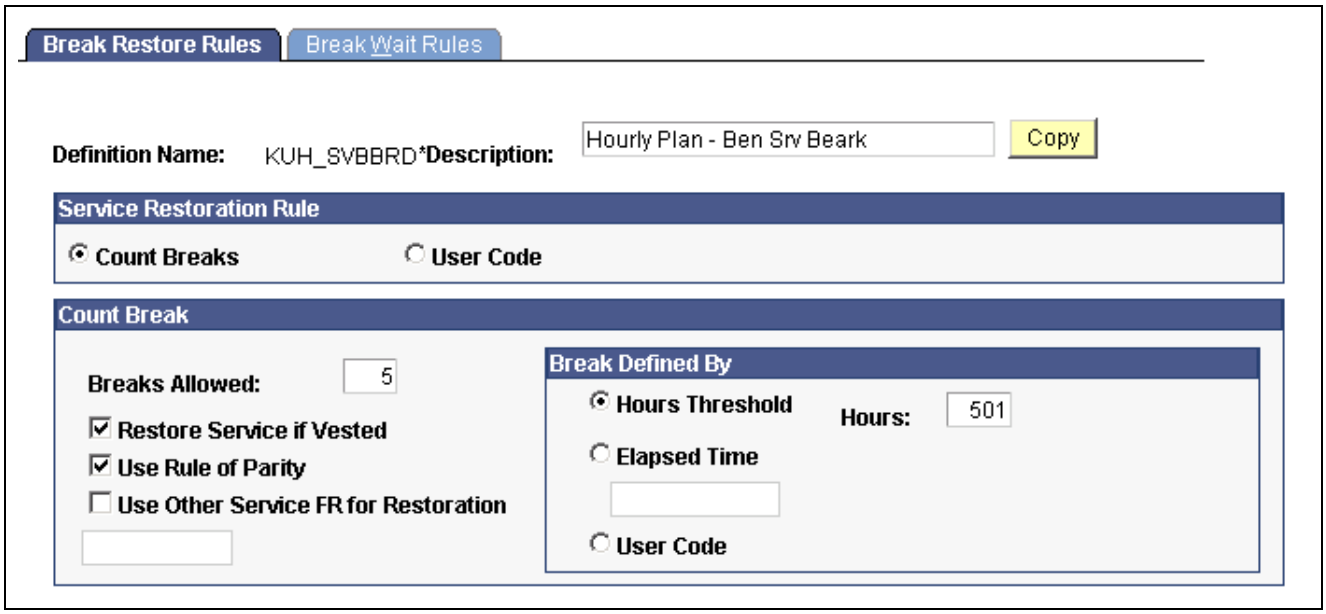
Pages Used for Break Rules

Page Name	Object Name	Navigation	Usage
Break Restore Rules	PA_BREAK_PNL3	Set Up HRMS, Product Related, Pension, Components, Service-Break Rules, Break Restore Rules	Set up the general service restoration rules.
Break Wait Rules	PA_BREAK_PNL2	Set Up HRMS, Product Related, Pension, Components, Service-Break Rules, Break Wait Rules	Set up a waiting period for service restoration.

Setting Up Break Restore Rules

Access the Break Restore Rules page.

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Break Rules - Break Restore Rules page

Copy This is a shortcut you can use to copy a similar definition. Establish the first definition, click the Copy button, enter a new name and description, and the system clones the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead of copying an existing definition.

Service Restoration Rule

The service restoration rule establishes how you determine whether or not to restore service after break.

Count Breaks Select this option when the number of consecutive one-year breaks determines whether service can be restored.

User Code Select this option for any other break method.

Count Break

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

Restore Service if Vested Select this option to make vested employees automatically eligible for service restoration, regardless of the number of one-year breaks. Vested employees are still subject to repayment and waiting period rules. Partially vested employees are considered vested. (The system can identify vested employees because periodic processing keeps employees' vesting histories.)

Use Rule of Parity Select this option to make service restoration dependent on the length of the previous service and the length of the break. In this case, service is restored unless the break is longer than one of the following:

- The number of breaks allowed (typically five).
- The total years of service before the break.

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For example, an employee with three years of service does not lose that service after a two-year break, but does lose it after a four-year break.

Use Other Service FR for Restoration (use other service function result for restoration)

Select this option to make service restoration dependent on the length of the service obtained from an alternate function result. Enter the alternate function result in the text box.

The break restore rules are applied to the service amount retrieved from the alternate function result.

For example, your plan may require that vesting service be used to determine whether to restore prior benefit service after a break. In this case, you would enter the plan's vesting service function result in the text box.

Break Defined By

If you count breaks, you need to establish what constitutes a one-year break. Do this in the Break Defined By group box.

Hours Threshold

Select this option when the break rule is used with hours counting or hours equivalence service method. Enter the number of hours that constitute a full year, for the purpose of determining a break. For example, if you enter *1000,* employees with at least 1000 hours in a year are not charged with a break, even if they do not have enough hours to accrue service. The break rule tracks hours using the consolidated hours specified in the associated service definition.

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

Elapsed Time

Select this option when the break rule is used with the elapsed time service method. In this case, the break time is measured by the calendar. Enter a duration option in the text box below.

The system uses the specified method to measure the length of the break. The break start and end points are based on an employee's action and reason history and the action and reason codes you defined as *not included* in your service definition.

User Code

Select this option to use your custom code to define the break rule.

See Also

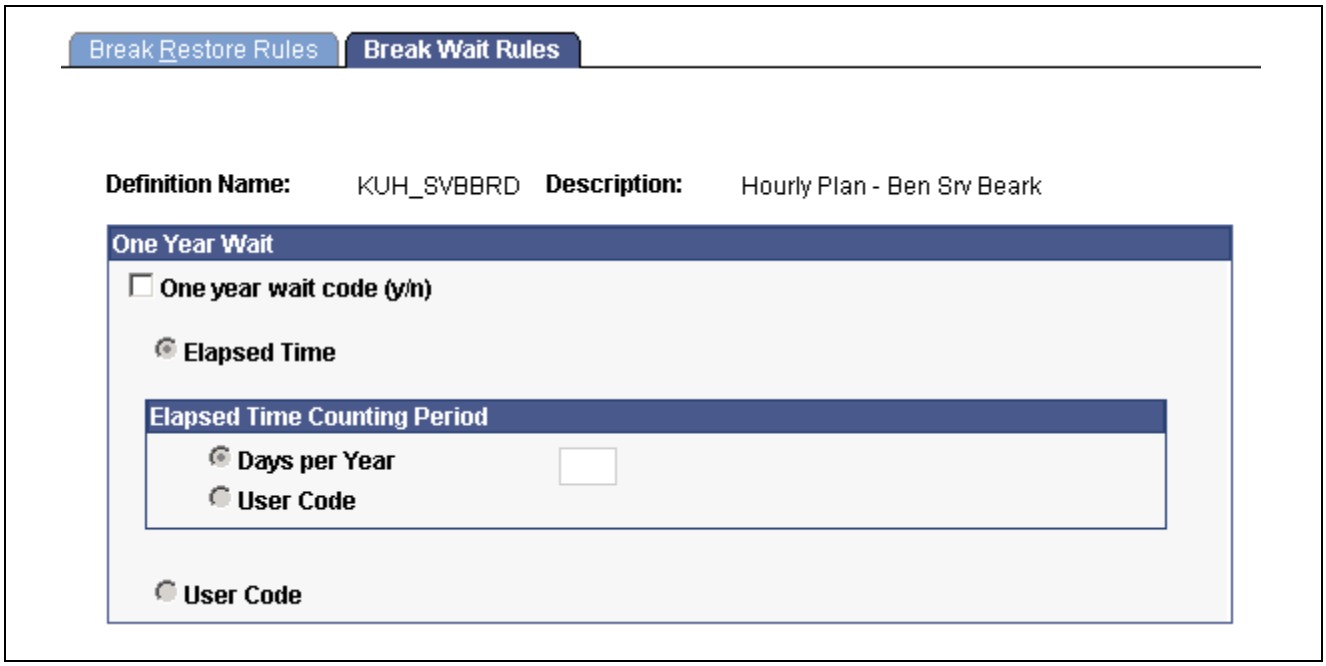
Chapter 50, "Configuring Calculations," page 481

Setting Up Break Wait Rules

When employees leave and then return, you may require that they complete one year of service before you restore their previous service. You set this up on the Break Wait Rules page.

Access the Break Wait Rules page.

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Break Rules - Break Wait Rules page

One year wait code (y/n) Select this option if you require that employees returning from a break wait a year before you restore service. Then select one of the following methods of determining the one-year wait period:

- *Elapsed Time:* In the Elapsed Time Counting Period group box, select either *Days per Year* and enter a days value, or select *User Code* and use one of the user code options to measure the wait.
- *User Code:*

  Select this option to use custom code to determine elapsed time.

Note. To measure a waiting period other than a year, select *One year wait code (y/n).* Then enter the length of the waiting period in Days per Year, or use a user code option.

See Also

Chapter 50, "Configuring Calculations," page 481

Using Function Results for Break Definitions

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

See Also

Chapter 41, "Setting Up Function Results," page 353

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CHAPTER 15

Counting Periods of Service

This chapter provides overviews of methods of counting service periods and how pages are documented and discusses how to:

- Set up elapsed time service.
- Set up hours counting service.
- Credit service based on hours worked.
- Set up hours equivalence service.

Understanding Methods of Counting Service Periods

There are two types of methods for counting service periods. The two hours methods, hours counting and hours equivalence, are based on the hours an employee works during a computation period. These methods require parameters for converting hours to service units. The elapsed time method is based on the time an employee works within a date range.

There are three methods of counting service periods:

- Elapsed time—Calculates an employee's service by measuring the time between two dates—for example, between the hire date and the termination date. The amount of service credited does not depend on the hours the employee works during the time period.
- Hours counting—Uses the actual number of hours an employee works in a computation period. Requires hours data provided by the hours consolidation process.
- Hours equivalence—Credits an employee with a specific number of hours, based on the time spent in a "service included" status.

There is a component for each method.

See Also

Chapter 15, "Counting Periods of Service," Pages Used to Set Up Elapsed Time, page 106

Chapter 15, "Counting Periods of Service," Pages Used to Set Up Hours Counting Service, page 120

Chapter 15, "Counting Periods of Service," Pages Used to Set Up Hours Equivalence Service, page 130

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Understanding How Pages Are Documented

In this chapter, the pages for each method are documented under their respective components—for example, the pages for the elapsed time method are documented under "Pages Used to Set Up Elapsed Time." However, several pages are the same in more than one component—for example, the Service Status page is used in all three components. Where pages are common to multiple components, the pages appear in the "Pages Used" sections for each component. However, this chapter documents the details of the page usage only once; here it clarifies any differences in the way that you use the pages for different methods.

Note. A page may contain different fields or field values, depending on the options you select. For example, the lookup buttons appear on the Min/Max Hrs page only if you select *Min* or *Max* in the Limit field. If you select *None,* these buttons do not appear.

Setting Up Elapsed Time Service

To set up elapsed time, use the Service-Elapsed Time (SERVICE_ELAPSED) component.

This section lists the pages used to set up elapsed time and discusses how to:

- Define the elapsed time service counting method.
- Set up elapsed time hours requirements.
- Set up service statuses.
- Add period rules.
- Set up future status code adjustments.
- View the effects of different adjustments.
- Set up elapsed time rules.
- Set up minimum and maximum service rules.
- Set up adjustments to the total service amount.

Pages Used to Set Up Elapsed Time

Page Name	Object Name	Navigation	Usage
Service Definition	PA_SVC_DEFINIT_TM	Set Up HRMS, Product Related, Pension, Components, Service-Elapsed Time, Service Definition	Set up basic information about your service definition.
Hours Requirement	PA_SVC_TIME_HRS	Set Up HRMS, Product Related, Pension, Components, Service-Elapsed Time, Hours Requirement	Set up hours thresholds that employees must meet before getting service credit for a computation period.

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Page Name	Object Name	Navigation	Usage
Service Statuses	PA_SVC_STATUS	• Set Up HRMS, Product Related, Pension, Components, Service-Elapsed Time, Service Statuses • Set Up HRMS, Product Related, Pension, Components, Service-Hours Counting, Service Statuses • Set Up HRMS, Product Related, Pension, Components, Service-Hours Equivalence, Service Statuses	Establish which employee action and reason codes turn service accrual off and which turn service accrual on.
Add Periods Rules	PA_SVC_ADD_PERIODS	• Set Up HRMS, Product Related, Pension, Components, Service-Elapsed Time, Add Periods Rules • Set Up HRMS, Product Related, Pension, Components, Service-Hours Equivalence, Add Periods Rules	Add time periods to action and reason effective dates.
Future Status Code Adjust (future status code adjustments)	PA_SVC_FUTURE_ADJ	• Set Up HRMS, Product Related, Pension, Components, Service-Elapsed Time Click the Future Stat Code Adj link on any page. • Set Up HRMS, Product Related, Pension, Components, Service-Hours Counting - Future Status Adj. • Set Up HRMS, Product Related, Pension, Components, Service-Hours Equivalence - Future Status Adjust	Set up service adjustments—for example, adjusting a current event with a future event.
Elapsed Time Rule	PA_SVC_ELAPSED1	Set Up HRMS, Product Related, Pension, Components, Service-Elapsed Time Click the Elapsed Time Rule link on any page.	Select the date math method for your service calculation result.

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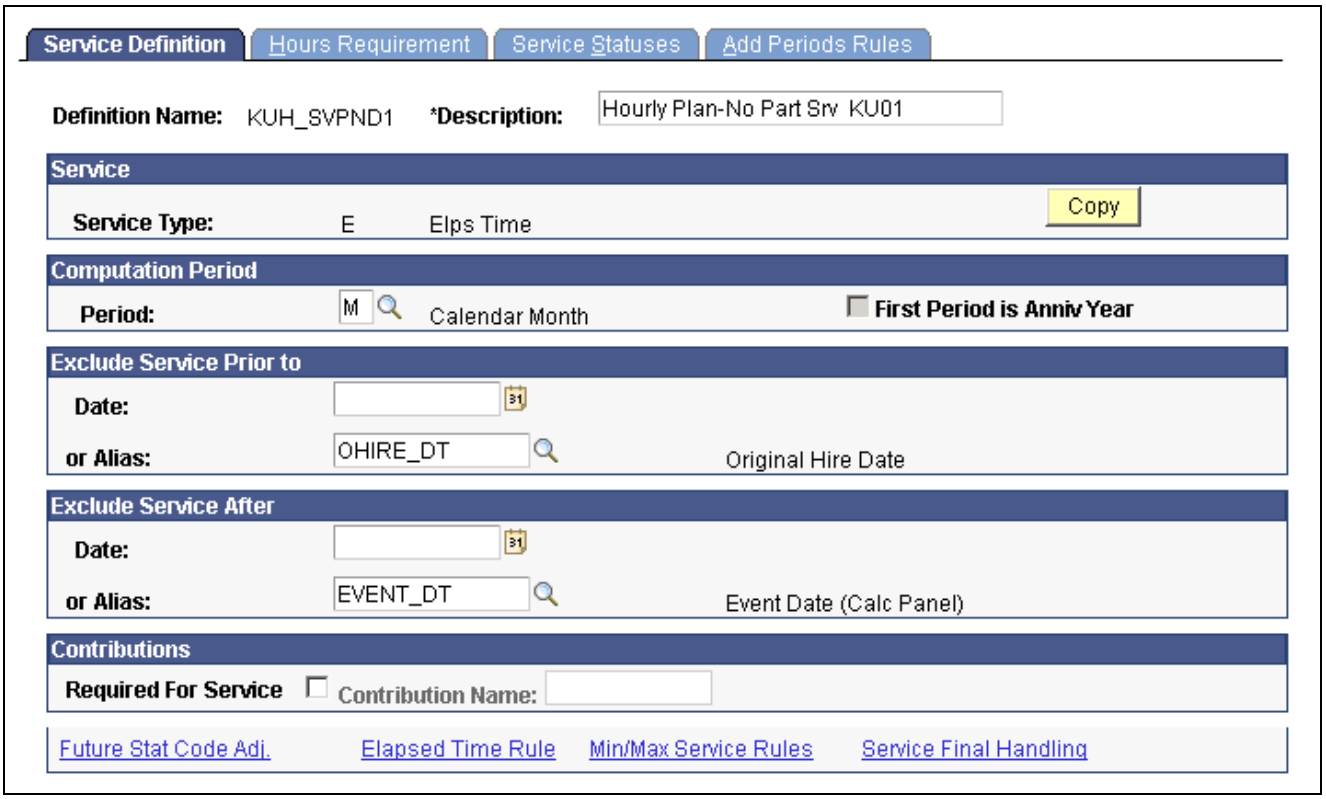
Page Name	Object Name	Navigation	Usage
Min/Max Service Rules (minimum and maximum service rules)	PA_SVC_MIN_MAX_SVC	Set Up HRMS, Product Related, Pension, Components, Service-Elapsed Time Click the Min/Max Service Rules link on any page.	Break computation periods into segments, based on human resources (HR) status changes.
Service Final Handling	PA_SVC_FINAL_RND	• Set Up HRMS, Product Related, Pension, Components, Service Elapsed Time Click the Service Final Handling link on any page. • Set Up HRMS, Product Related, Pension, Components, Service-Hours Counting, Service Final Handling • Set Up HRMS, Product Related, Pension, Components, Service-Hours Equivalence Click the Service Final Handling link on any page.	Set up any adjustments to the total service amount.

Defining the Elapsed Time Service Counting Method

To use the elapsed time method, you need to set up basic information about your definition. This includes a service period to be used in the elapsed time computation, any periods to exclude from service, and whether contributions are required.

Access the Service Definition page.

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Elapsed Time - Service Definition page

Service

Service Type When you access this page through the Service - Elapsed Time component, the type is always *E* (elapsed time).

Copy This is a shortcut you can use to copy a similar definition. Establish the first definition, click the Copy button, enter a new name and description, and the system clones the original definition using the new name. You can then make whatever minor adjustments you need to the new definition. If you have to make major adjustments, consider creating the new definition from scratch instead of copying an existing definition.

Computation Period

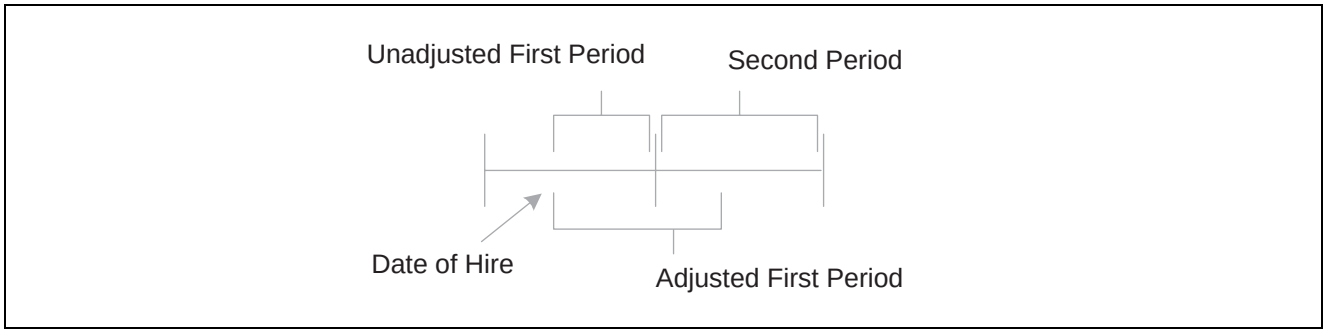
Period An elapsed time service definition specifies how to measure the duration between two dates, typically the hire date and the event date. When Pension Administration calculates elapsed time, however, this time is broken into computation periods. Total elapsed time is then the sum of the service credit for each period.

Select one of the following period types:

- *M (Calendar Month):* If you select this period, service is expressed in years. For example, an employee can get .083333 years of service in a month (1/12 year).
- *A (Anniversary Year):* If you select this period, the anniversary year begins on the employee's date of hire. For other computation periods, an employee's first period is typically a short period.

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- *Y (Calendar Year)* or *P (Plan Year):* If you select one of these periods, you can give employees the benefit of a full-year first period by selecting First Period is Anniv Year. Then, your adjusted first period overlaps with the second period, as shown below.



First period is anniversary period

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

Exclude Service Prior to and Exclude Service After

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

Contributions

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

Contribution Name Enter the name of the employee accounts function result that keeps track of employee contributions.

The employee accounts function creates a period-by-period history. If an employee makes contributions at any time during a period, the service function grants the employee service for that period.

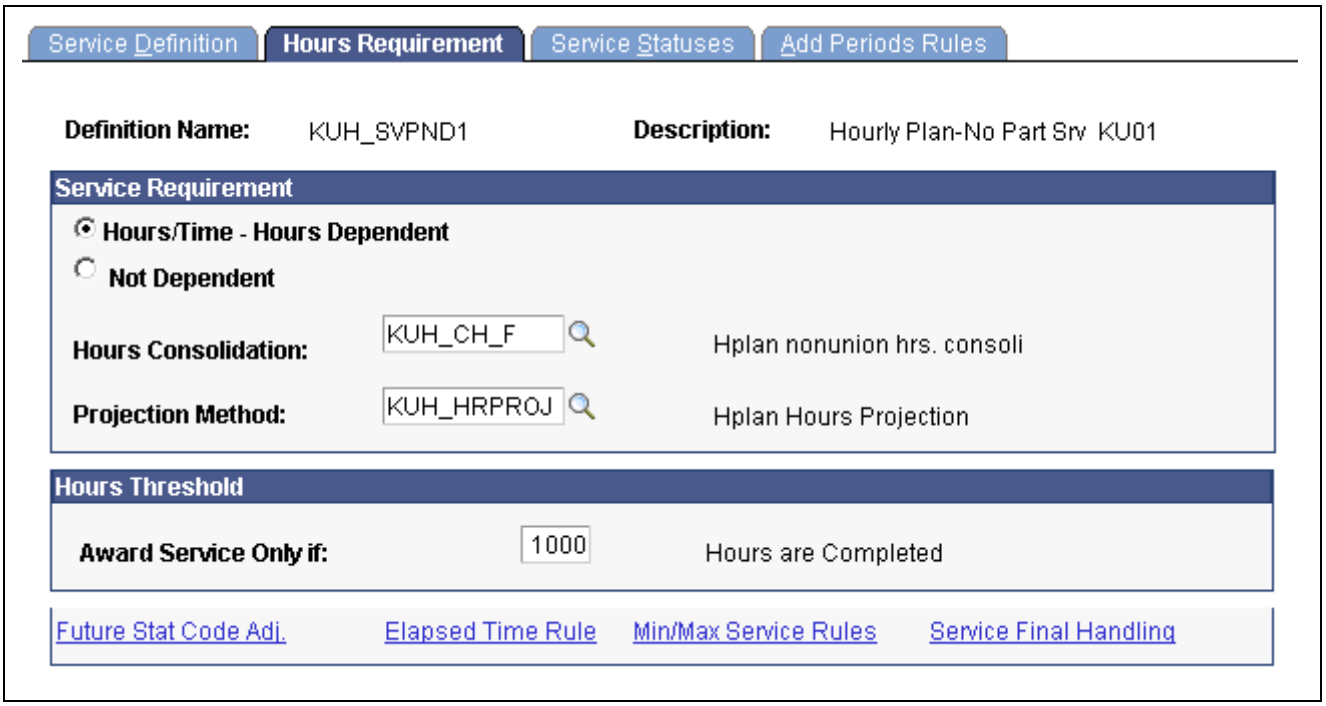
Note. PeopleSoft recommends using an employee accounts period identical to or shorter than the service computation period in order to more accurately align employee contributions to service periods.

Setting Up Elapsed Time Hours Requirements

Elapsed time hours, also called thresholds, are the hours that employees must work before getting service credit for a computation period. For example, if your computation period is a calendar year, you can require employees to have at least 500 hours of service within a year before getting service credit.

Access the Hours Requirement page.

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Service - Elapsed Time - Hours Requirement page

Service Requirement

Hours/Time - Hours Dependent and **Not Dependent**
Select *Hours/Time - Hours Dependent* if the service requirement is dependent or *Not Dependent* if it is not dependent.

If you select *Not Dependent,* you can make no further entries on this page.

Hours Consolidation
This directs the system to the appropriate hours history for determining whether an employee meets the threshold requirements.

Projection Method
This provides instructions for projecting hours, if necessary.

Hours Threshold

Award Service Only If
Enter the number of hours that an employee must work before getting service credit.

Setting Up Service Statuses

An employee's HR status determines whether or not the employee accrues service. Status changes are reflected in the employee's action and reason history in the PeopleSoft Enterprise Human Resources job records: hires, leaves, returns from leave, terminations, and any other action and reason codes you choose.

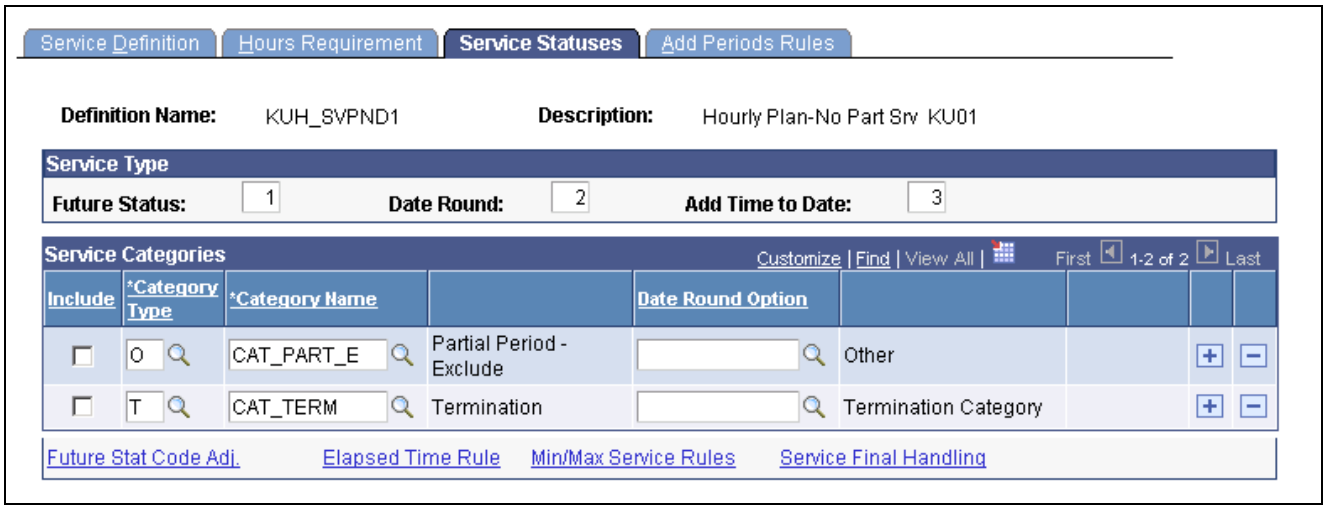
Sometimes you need to adjust the effective date of a status change. For example, if your plan gives service credit for the first 30 days of a leave, you need to indicate that the effective date of the leave must be adjusted by 30 days before service accrual ends. Further, you can indicate that this adjustment only occurs if the employee returns to work within a year.

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Adjusting Action and Reason Effective Dates

Because you can make multiple adjustments to the effective date of a status change, you need to indicate the order in which adjustments are made. For example, you can indicate whether to round a date before or after adding time.

Access the Service Statuses page.



Service - Elapsed Time - Service Statuses page

HR Status Adjustment Order

Future Status, Date Round, and **Add Time to Date**

To indicate the order in which the system should apply the adjustments, enter *1, 2,* and *3* next to the three adjustment types. You use subsequent pages to add time to the effective date or to set up adjustments, based on future status codes; you enter the rounding method on this page.

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

Note. If an adjustment causes a date to overlap with the date of another status code, then calculations fail.

Service Categories

Include

Select this option if actions in the category start an include service segment. If the actions in the category start an exclude service segment, leave that option clear. Actions not specifically included in any of the categories on this page do not affect service status.

Warning! Be sure to include both events that start and stop service. For example, if you stop service for a leave, be sure to start service for a return from leave.

Category Type

Set one of the following category types: *H (Hire Category), T (Termination Category),* or *O (Other).* The system uses this information when you set up adjustments that add time to a period. You specify whether the adjustments apply to hire periods, termination periods, or all periods.

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Category Name In the scrolling region of this page, select each HR action and reason category name that the service definition needs to look for. This includes reasons for starting include service segments and for starting exclude service segments.

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

See Also

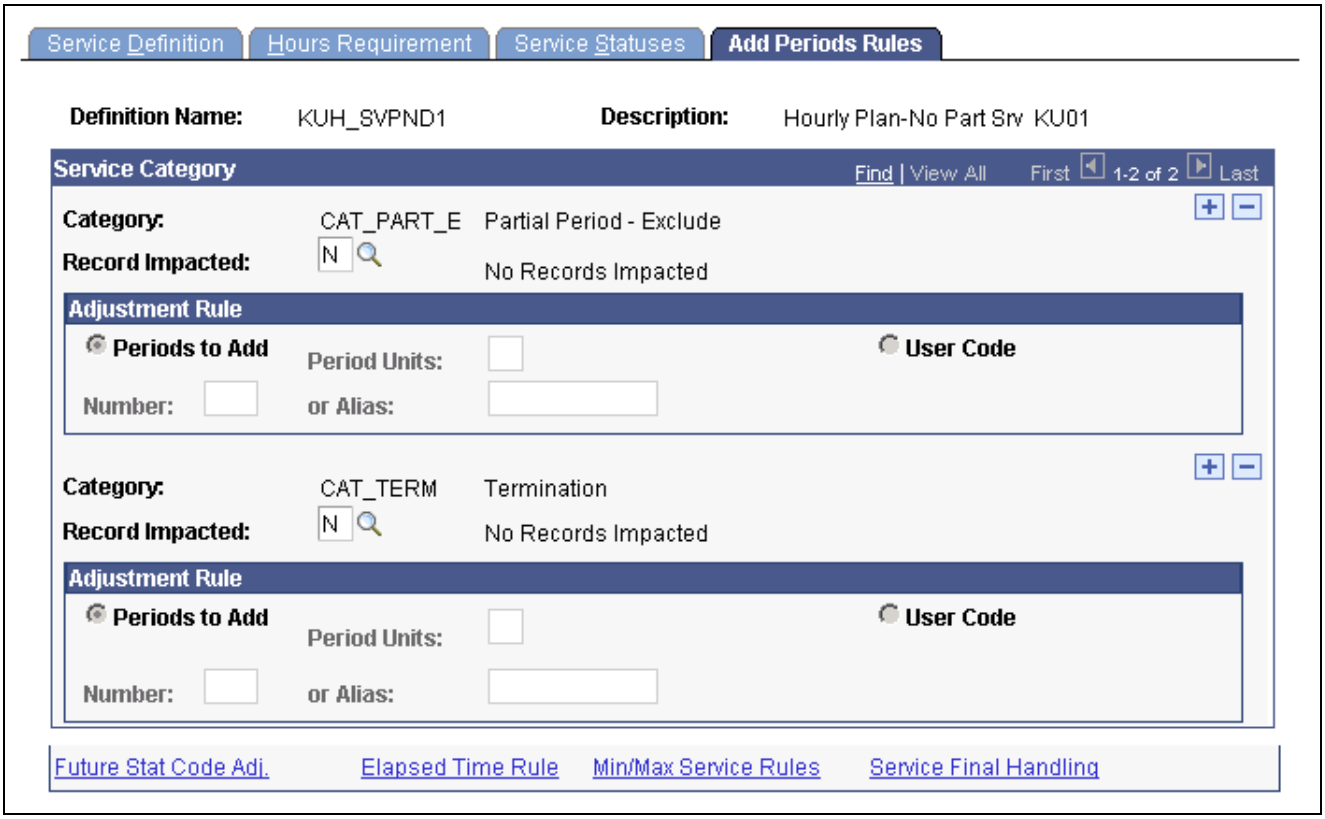
Chapter 35, "Creating Action and Reason Categories," page 311

Chapter 31, "Using Date Aliases and Date Options," page 267

Adding Period Rules

Sometimes you may want to delay the effective date of an action and reason event. For example, if your employee can continue to accrue service for the first month of a leave, you need to adjust the effective date of any leave action by adding a month. Use the Service - Elapsed Time - Add Periods Rules page to add time periods to action and reason effective dates.

Access the Add Period Rules page.



Service - Elapsed Time - Add Periods Rules page

Service Category

Category The scrolling region of the page shows each action and reason you entered on the Service Statuses page.

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Record Impacted Indicate which instances of a new status receive the adjustment by selecting one of the following: *N (No Records Impacted), A (All), F (First Only), L (Last Only), X (All But First), Y (All But Last),* or *Z (All But First and Last).*

When you add time to an action and reason effective date, you give additional service or break-in-service time by delaying the impact of the change. You may not want to do this for each occurrence of an event. For example, you could grant the 30-day leave of absence adjustment only for the first leave and not adjust any subsequent leaves.

If you select*No Records Impacted,* you can make no further entries on this page.

Adjustment Rule

Periods to Add Select this option to indicate the type of period to add. Also, enter values in the following fields:

- Period Units: Enter *Days, Weeks, Months,* or *Years.*
- Number or Alias: Enter the number of period units.

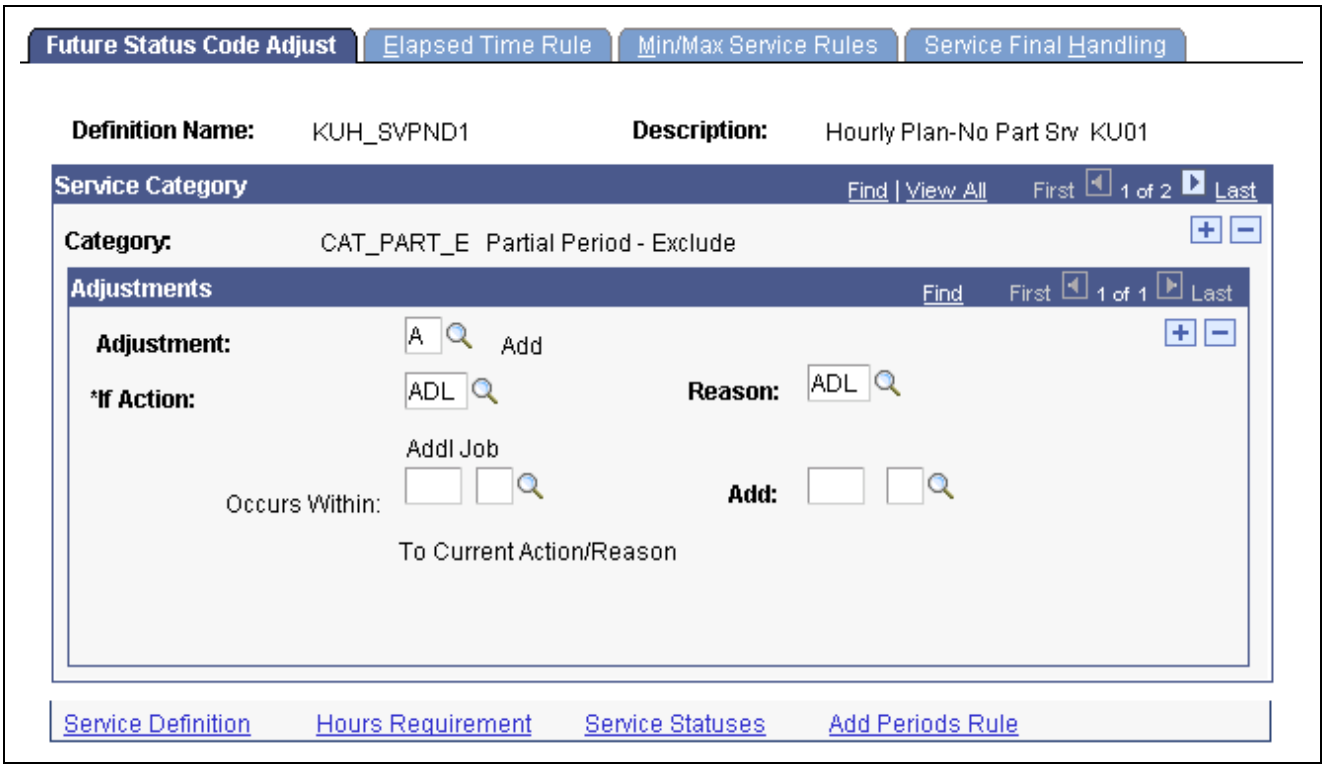
User Code Select this option to use a add a custom period. If you select this option, you can make no further entries on this page.

Setting Up Future Status Code Adjustments

The way you treat service for a particular HR status may depend on an employee's subsequent status. For example, employees on leave might accrue service only if they later return to work. You can choose to adjust a current event, based on a future event—or you can adjust a future event, based on a second future event.

Access the Future Status Code Adjust page.

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Service - Elapsed Time - Future Status Code Adjust page

Category

The scrolling region of the page shows each action and reason category that you entered on the Service Statuses page. Check each action and reason category, using the scrolling arrows, and enter as many adjustments as necessary.

Adjustment

For each adjustment, select one of the following types:

- *A (Add):* Select this option to delay an effective date, based on other events occurring within defined periods of time afterward. For example, you can direct the system to adjust the effective date of a leave of absence by one month (to grant one month of extra service) only if an employee returns within one year.

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

- *C (Ignore Current Action/Reason):* Select this option to ignore the original HR status change, based on other events occurring within defined periods of time afterward. For example, you can choose to ignore a leave of absence if an employee returns within one month.

  Indicate the action and reason codes of the future event in the If Action and Reason fields. Indicate how far into the future to look for this event in the Occurs Within fields.

- *F (Ignore Future Action/Reason):* Select this option to ignore subsequent status changes, based on events occurring within a defined period of time from the original status change. For example, if you terminate an employee

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on leave, but rehire that employee within a year of the original leave date, you can ignore the termination so that it appears that the employee was on leave the entire time.

Indicate the action and reason codes of the future event in the If Action and Reason fields. Indicate how far into the future to look for this event in the Occurs Within fields. Indicate the intermediate event to be ignored in the Ignore Future action and reason fields.

- *I (Insert):* Select this option to insert an action and reason event, based on another event's *not* occurring within a defined period of time afterward. For example, when a leave action occurs, you might insert a termination action if a return from leave does not occur within one year of the leave.

  Indicate the action and reason codes of the future event in the If Action and If Reason fields. Indicate how far in the future to look for this event in the Does Not Occur Within fields. Indicate the future event to be inserted in the Insert action and reason fields. The future event is inserted on the same day as the initial action—in the example, the leave.

Viewing the Effects of Different Adjustments

The tables in this section show the effects of making several types of adjustments.

Adding Time to the Effective Date of a Status Change

Actual Action	Actual Date	Adjusted Date
Hire	January 1, 1994	n/a
Leave	July 1, 1998	August 1, 1998
Return from leave	May 1, 1999	n/a
Terminate	December 31, 2000	n/a

Ignoring Current Status Change

Actual History	Adjusted History
Hire: January 1, 1994	Hire: January 1, 1994
Leave: July 1, 1998	n/a
Return from leave: July 15, 1998	Return from leave: July 15, 1998
Terminate: December 31, 2000	Terminate: December 31, 2000

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Ignoring Future Status Change

Actual History	Adjusted History
Hire: January 1, 1994	Hire: January 1, 1994
Leave: July 1, 1998	Leave: July 1, 1998
Terminate: July 15, 1998	n/a
Rehire December 31, 1998	Rehire: December 31, 1998

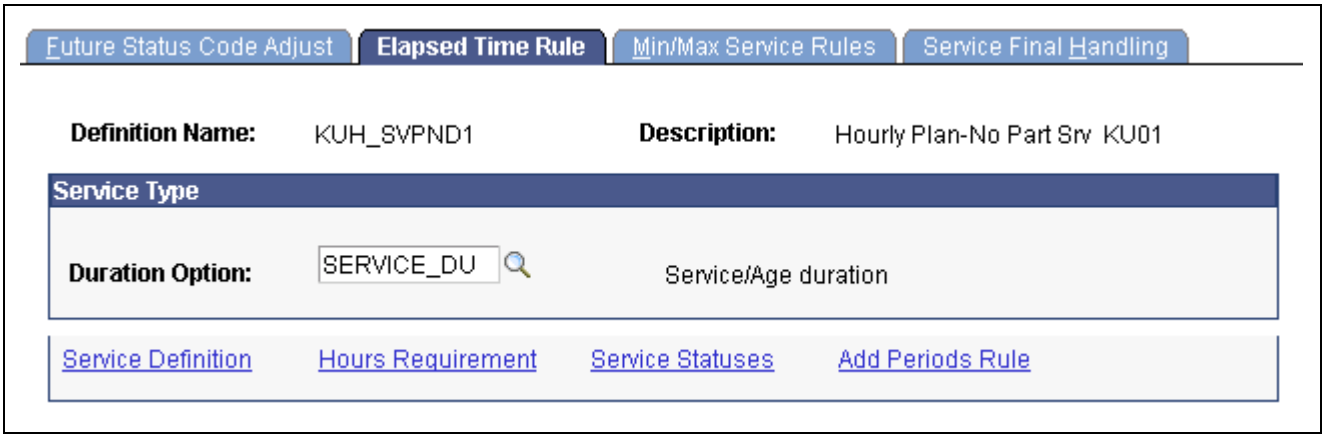
Inserting an Additional Status Change

Actual History	Adjusted History
Hire: January 1, 1994	Hire: January 1, 1994
Leave: July 1, 1998	Leave: July 1, 1998
n/a	Terminate: July 1, 1998

Setting Up Elapsed Time Rules

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

Access the Elapsed Time Rule page.



Service - Elapsed Time - Elapsed Time Rule page

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

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See Also

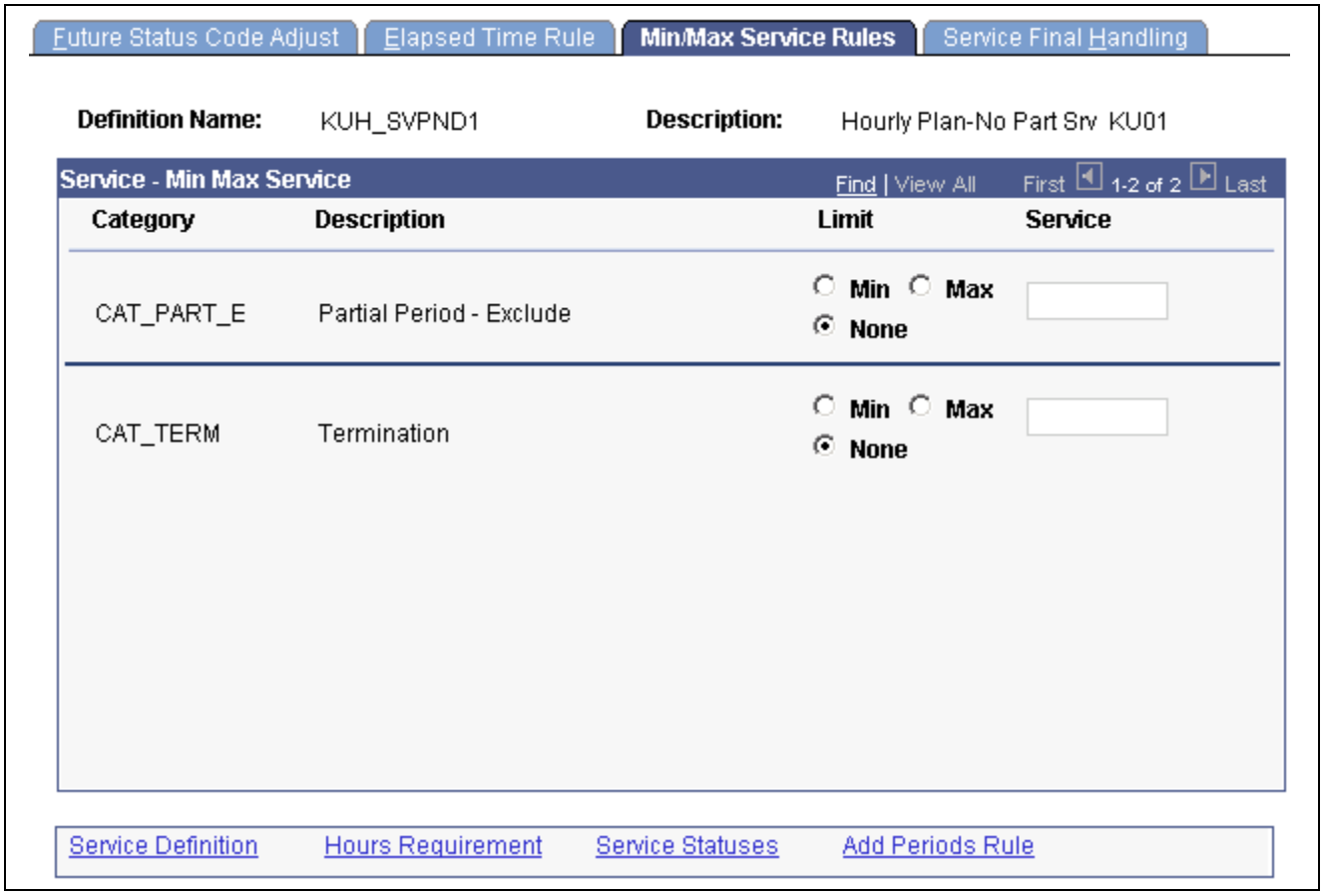
Chapter 32, "Using Duration Aliases and Duration Options," page 277

Setting Up Minimum and Maximum Service Rules

The service function breaks computation periods into segments, based on HR status changes. For example, within a single year-long computation period, an employee might have a ten-month segment of active employment and a two-month segment of leave.

Some HR statuses might have associated minimum or maximum service accruals. For example, employees may be limited to a maximum of one year of service accrual while on leave. You need to set these limits.

Access the Min/Max Service Rules page.



Service - Elapsed Time - Min/Max Service Rules page

Category The scrolling region of the page shows each action and reason category that you entered on the Service Statuses page. Check each action and reason category, using the scrolling arrows, and enter limits as necessary. You see both include and exclude categories; however, minimums and maximums only apply to the include service categories.

Limit Indicate whether there is a limit on the service accrued for an employee who has the include status category. Select one of these options:

- *None:* Select if there are no limits on the status category.

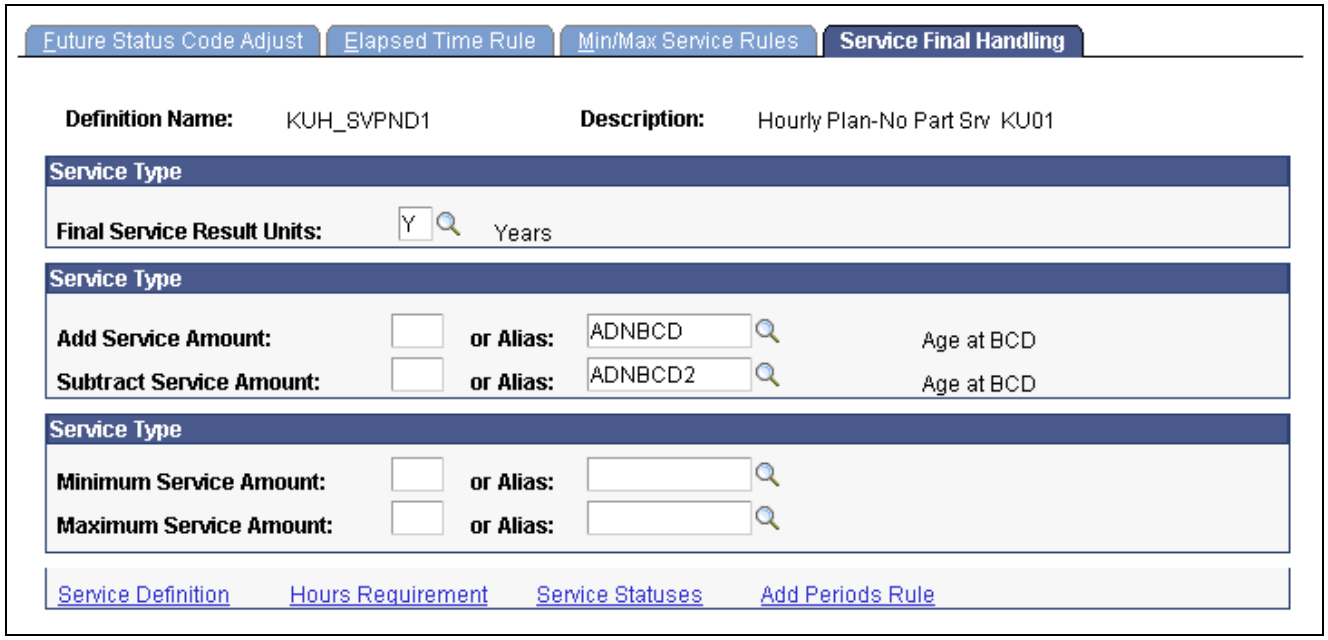
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- *Min* (minimum): Select if there is a minimum limit, and enter that limit in Service.
- *Max* (maximum): Select if there is a maximum limit, and enter that limit in Service.

Setting Up Adjustments to the Total Service Amount

Total service amounts adjustments differ from the adjustments discussed earlier: They apply to an employee's lifetime service total, not to the periodic totals generated for each elapsed time segment.

Access the Service Final Handling page.



Service - Elapsed Time - Service Final Handling page

Service Type

Final Service Result Units Select either *M (Months)* or *Y (Years)*.

Add Service Amount and **Subtract Service Amount** To add or subtract service from an employee's otherwise final service, enter the adjustment amount in the Add Service Amount or Subtract Service Amount field. You can add or subtract either constant amounts or aliases.

Minimum Service Amount and **Maximum Service Amount** To limit an employee's otherwise final service to a specified minimum or maximum, enter the limit in the Minimum Service Amount or Maximum Service Amount field. You can enter either constant amounts or aliases.

Counting Service for Multiple Jobs

The action and reason dates for adding, adjusting, and rounding are processed before the action and reasons dates are blended. All other calculations are processed after the blending occurs.

See Also

Chapter 14, "Defining Service and Break Rules," Setting Up Service Function Results for Multiple Jobs, page 100

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Setting Up Hours Counting Service

To set up hours counting service, use the Service-Hours Counting (SERVICE_HRS_CNT) and Service-Hours Equivalence (SERVICE_HRS_EQUIV) components.

This section list the pages used to set up hours counting service and discusses how to define the hours counting service method.

Pages Used to Set Up Hours Counting Service

Page Name	Object Name	Navigation	Usage
Service Definition	PA_SVC_DEFINITION	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Svc. Def. • Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Service Definition	Set up basic service information.
Time Requirement	PA_SVC_HRS_TIME	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Time Rqmt. • Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Time Requirement	Set up service period thresholds that employees must meet before getting service credit for a computation period.
Service Statuses	PA_SVC_STATUS	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Svc Status • Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Service Statuses • Set Up HRMS, Product Related, Pension, Components, Service - Elapsed Time, Service Statuses	Establish which employee action and reason codes turn service accrual off and which turn service accrual on.

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Page Name	Object Name	Navigation	Usage
Future Status Code Adjust (future status code adjustments)	PA_SVC_FUTURE_ADJ	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Future Status Adj. • Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Future Status Adjust • Set Up HRMS, Product Related, Pension, Components, Service - Elapsed Time Click the Future Status Code Adj link on any page.	Set up service adjustments—for example, adjusting a current event with a future event.
Min/Max Hrs (service - minimum and maximum hours)	PA_SVC_MIN_MAX_HRS	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Min/Max Hrs • Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence Click the Min/Max Hrs Rule link on any page.	Break computation periods into segments, based on HR status changes.
Service Hours Conversion	PA_SVC_HRS_CONVERT	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Hrs to Svc Conv. • Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Hrs to Svc Conv.	Set up rules to convert hours to service.

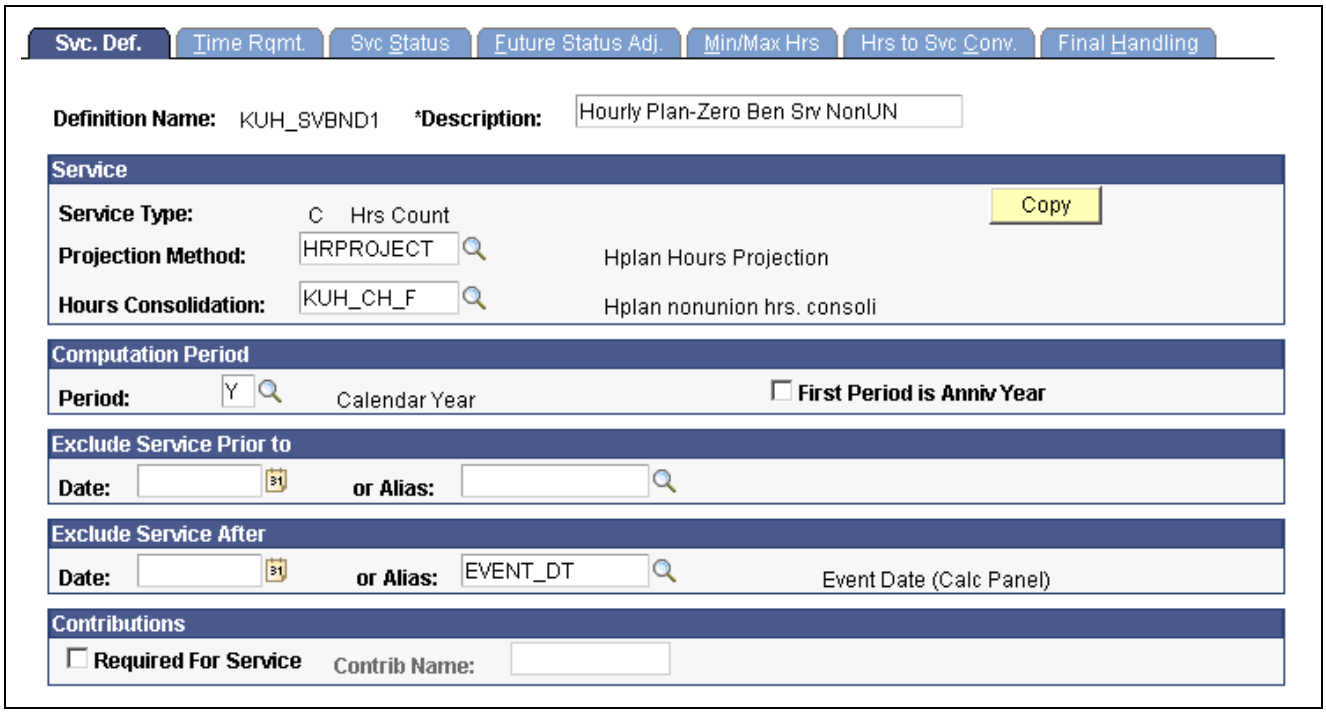
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Page Name	Object Name	Navigation	Usage
Service Final Handling	PA_SVC_FINAL_RND	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Service Final Handling • Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence Click the Service Final Handling link on any page. • Set Up HRMS, Product Related, Pension, Components, Service - Elapsed Time Click the Service Final Handling link on any page.	Set up any adjustments to the total service amount.

Defining the Hours Counting Service Method

Access the Svc. Def. (Service Definition) page.

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



Service - Hours Counting - Svc. Def. page

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Service

Service Type When you access this page through the Service - Hours Counting component, the type is always *C* (hours counting).

When you access this page through the Service - Hours Equivalence component, the type is always *H* (hours equivalence).

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

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

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

Hours Consolidation Enter the name of your consolidation process here.

An hours counting service definition is based on the number of hours worked during a specific period. The hours consolidation process provides the necessary hours data.

Computation Period

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

Exclude Service Prior to/After

Date If the exclusion date occurs in the middle of an hours consolidation period, the system will prorate the total hours for the period to determine the number of hours to be excluded. To exclude hours based on the day they are earned, create an hours consolidation that excludes those hours.

See Also

Chapter 39, “Projecting Hours and Earnings,” page 341

Chapter 11, “Consolidating Payroll Data,” page 61

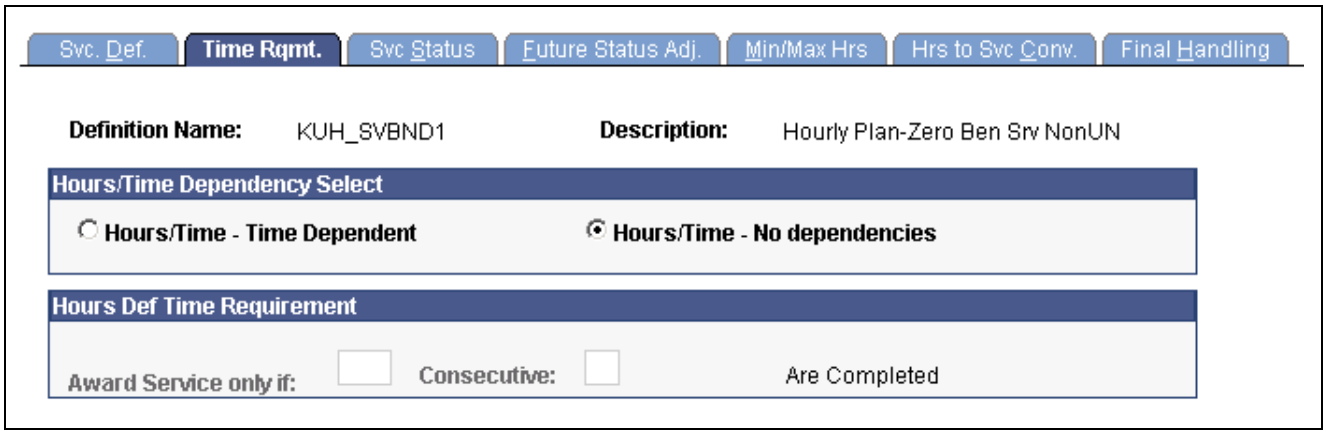
Chapter 15, “Counting Periods of Service,” Setting Up Elapsed Time Service, page 106

Setting Up Hours Counting Time Requirements

Although you are setting up an hours counting service definition, you can set an elapsed time threshold that employees must meet before getting any service credit at all. For example, you could require employees to have nine months of elapsed time service in order to have their hours counted for a particular year.

Access the Time Rqmt. page.

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Service - Hours Counting - Time Rqmt. page

Hours/Time Dependency Select

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

Hours/Time - No dependencies Select if there is no time threshold.

Hours Def Time Requirement

Award Service only if Enter the number of periods that employees must work before getting service credit.

Consecutive Enter either the type of period to which the periods apply: *Consecutive Months (M)* or *Consecutive Years (Y)*.

Setting Up Hours Counting Service Statuses

Hours counting service depends on the hours consolidation. Unless there is a minimum or maximum number of hours (real or projected) specified for a particular status, the service calculation uses whatever hours are provided. For example, if the consolidated hours includes hours from an employee's leave of absence, then those hours are considered for service; the service function does not categorize those hours and cannot, therefore, exclude them.

This means that service statuses work very differently for hours counting than for elapsed time and hours equivalence. The latter two methods use statuses as the basis for granting or not granting service credit; hours counting uses actual hours, rather than statuses, for this purpose.

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

Understanding Service Statuses and Hours Counting Service

In an hours counting definition, you identify service statuses for the following purposes:

- Applying status-based minimum or maximum hours limits.
- Identifying hire and termination periods if you use different hours-to-service conversion methods for those periods.
- Establishing a link between the service definition and the employee.

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These correspond to the following types of action and reason categories that you need to put into your service definition:

- Action and reason categories that start and stop limited periods.

  For example, if certain leaves of absence have a maximum of 500 hours, you must identify action and reason codes for both those leaves types and for returns from leave.

- Categories of hire and termination actions.
- Categories covering any action and reason that could appear as the first action in an employee's job record. Normally a hire and rehire category covers this, but if your practices include using other actions for an employee's initial job record, be sure those actions are incorporated into one of the service categories. Without this information, the system cannot match employees to definitions.

Because you do not need to make elaborate adjustments to an employee's job history in order to apply service rules, you don't necessarily need the same amount of service status detail as you would for an elapsed time service definition. However, it's a good practice to enter included and excluded service statuses that match the way your consolidation handles hours from those statuses. For example, if you generate hours for certain kinds of leaves, those leaves would be service included statuses.

See Also

Chapter 15, "Counting Periods of Service," Setting Up Service Statuses, page 111

Setting Up Hours Equivalence Service Statuses

Hours equivalence definitions assign a specific number of hours per time period worked. For example, if the equivalence rate is 45 hours per week, an employee who is in service status for an entire year receives credit for 53 weeks (52 whole weeks and one partial week), or 2,385 hours.

The system uses an employee's service status to determine whether or not to credit hours. It uses the action and reason codes in the employee's job record to determine the employee's service status.

See Also

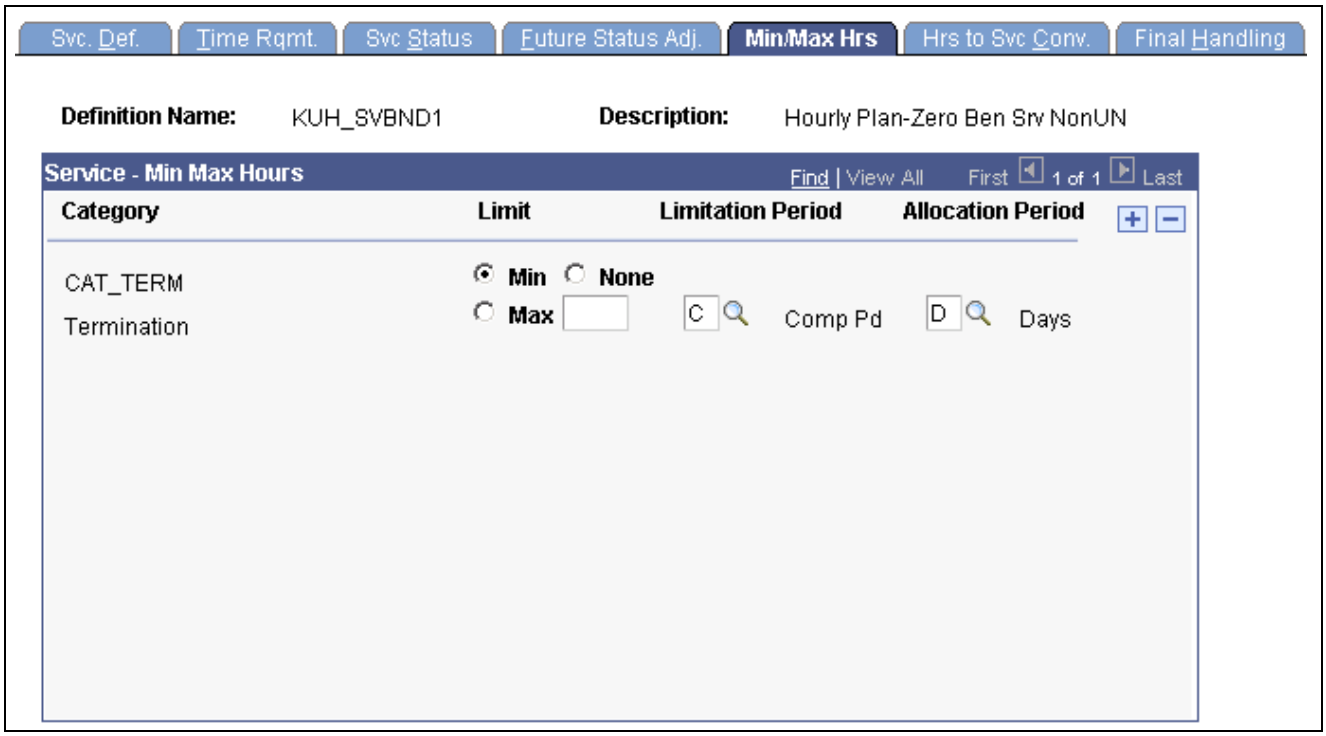
Chapter 15, "Counting Periods of Service," Setting Up Service Statuses, page 111

Setting Up Hours Counting Minimum and Maximum Service Rules

Segments can have a minimum or maximum hours accrual based on the employee status. For example, an employee on leave could be limited to a 1000-hour maximum. Use the Min/Max Hrs page to indicate the hours limitations associated with specific categories of HR action and reason codes.

Access the Min/Max Hrs page.

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Service - Hours Counting - Min/Max Hrs page

Service - Min Max Hours

Limit

To set an upper or lower limit on hours following a particular action until the next action from any of the other categories, select one of the following:

- *Min* to impose a minimum limit.
- *Max* to impose a maximum limit.
- *None* if there is no limit.

When there is a limit, enter the number of hours in the text box next to the Max field.

Limitation Periods

Limits always apply to either the computation period or the status period. If you select *C (Computation Period),* you can limit employees to 1000 hours per year while on leave. If you select *S (Status Period),* you can limit employees to 1000 hours for the total duration of the leave.

If you select *Computation Period,* the limit applies only to the portion of the computation period when the employee is on leave. For example, for 2000 Miguel had 1250 total hours, but he was on leave for part of the year. The system first prorates the hours to allocate 250 hours to the period when Miguel was on leave. The limit of 1000 hours per computation period applies only to this 250 hours. In this case, therefore, the limit doesn't change the total hours for the period.

Allocation Period

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

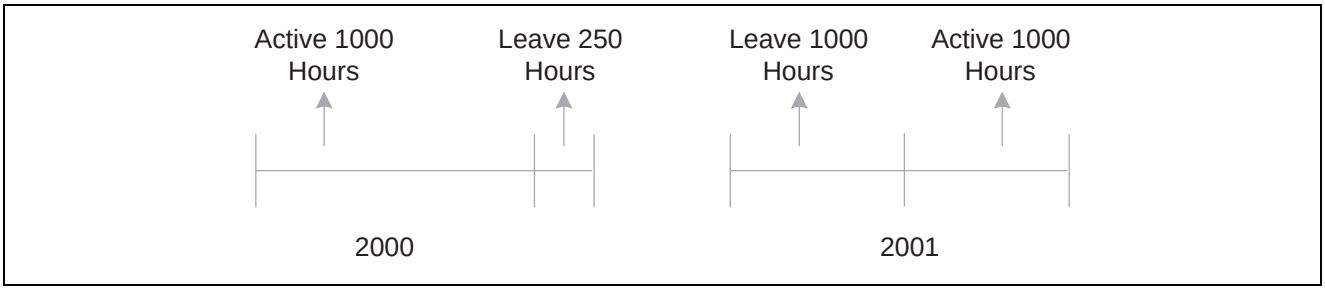
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If you select *Cut Off at Limit,* the first 1000 hours are used, any additional hours are reduced to zero. In this case, the 250 hours in 1980 remain at 250 hours, the 1000 hours that fall in 1981 are reduced to 750.

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

Allocating Hours to Computation Periods

If your limitation period is the status period, the system still prorates hours within a computation period to determine how many hours fall into the specified status. If the hours violate the limit, you have to allocate the limited hours between two periods. For example, Miguel's leave of absence extends into 2001, as shown in the following diagram:



Status period extends across computation periods

Miguel's 1250 total leave hours fall into two computation periods. You have to reduce the total leave hours to 1000 using one of two Allocation Period options.

If you select *Cut Off at Limit,* then the first 1000 hours are used and any additional hours are reduced to zero. In this case, the 250 hours in 2000 remain at 250 hours, the 1000 hours that fall in 2001 are reduced to 750.

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

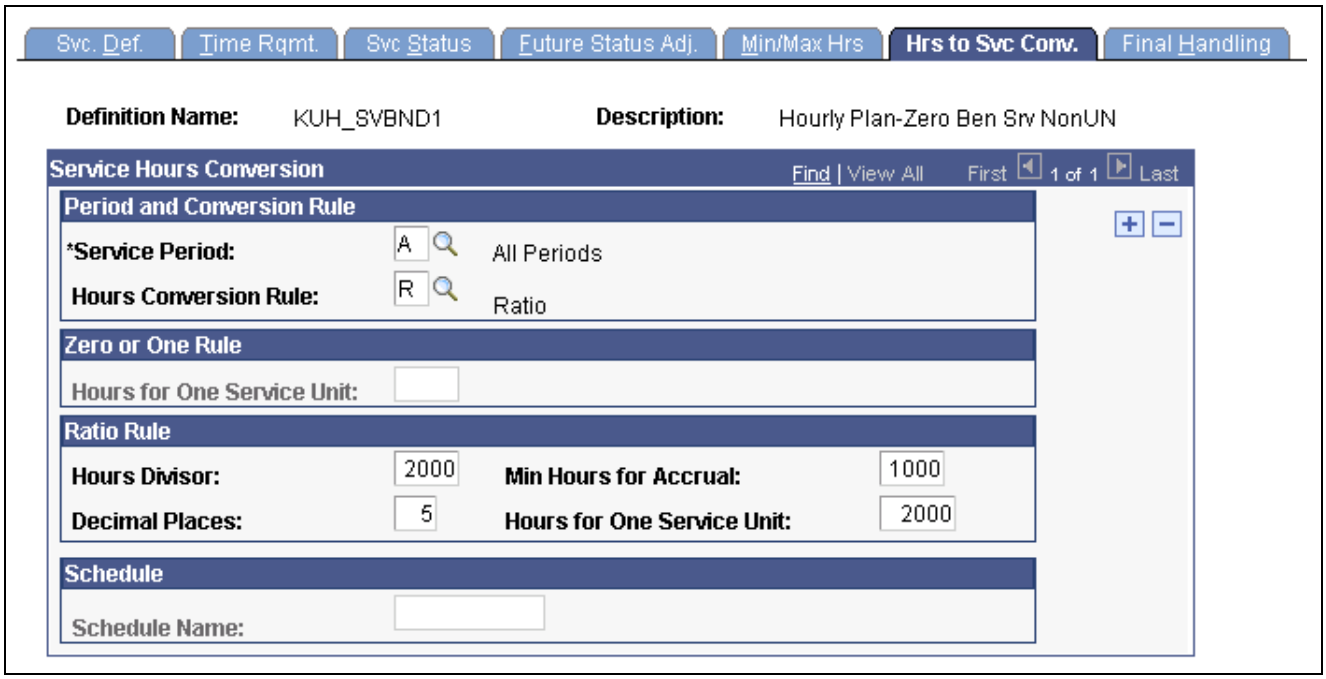
For minimums, *Cut Off at Limit* adds any additional hours to the first segment. *Spread Across Days* increases the hours proportionally.

Converting Hours to Service

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

Access the Hrs to Svc Conv. page.

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Service - Hours Counting - Hrs to Svc Conv. page

Period and Conversion Rule

Service Period

You can use different conversion rules for the hire period and termination periods from those you use for a standard computation period. For example, you may use a ratio rule for hire and termination periods, but a zero or one rule for other periods.

Select the Service Period for the rules you are establishing: *A (All Periods), H (Hire Period), T (Termination Period).*

The Service function identifies hire and termination periods by the categories you established on the Service - Hours Counting - Service Statuses page.

Note. Be sure to set up a rule for all periods. You can choose whether or not to set up additional rules for hire and termination periods.

Hours Conversion Rule

For each type of computation period, select an Hours Conversion Rule to establish the basis for your hours-to-service conversion:

- *R (Ratio)* gives fractional service units by dividing the number of hours by a constant. For example, if you divide by 2000, an employee with 1000 hours receives one half of a service unit.

  If you select *Ratio,* you must complete the Ratio Rule group box.

- *S (Schedule)* looks up the hours amount on a schedule and credits the corresponding amount of service.

  If you select *Schedule,* enter the schedule name in the Schedule group box.

- *Z (Zero or One)* gives one service unit to employees with at least a minimum number of hours. Employees with fewer hours receive zero service units.

  If you select *Zero or One,* enter the minimum number of hours required in the Zero or One Rule group box.

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Ratio Rule

Hours Divisor Enter the denominator.

Decimal Places Indicate the number of decimal places for the division.

Min Hours for Accrual Employees accrue of maximum of one service unit, even if the numerator is greater than the denominator.

To set a threshold number of hours, enter the minimum hours for accrual. Employees with fewer hours receive no service credit. For example, if you enter 500, employees with less than 500 hours receive no service credit.

Hours for One Service Unit Set the number of hours for one service unit. Employees with the specified number of hours or more automatically receive one service unit; additional hours do not add service.

See Also

Chapter 15, "Counting Periods of Service," Crediting Service Based on Hours Worked, page 129

Crediting Service Based on Hours Worked

To credit service based on hours worked, use the Service Schedule (SVCSCHD) component.

This section lists the page used to credit service based on hours worked and discusses how to define specific service credits by hours worked.

Page Used to Credit Service Based on Hours Worked

Page Name	Object Name	Navigation	Usage
Service Schedule	PA_TL_SVC_SCHD	Set Up HRMS, Product Related, Pension, Calculation Rules, Service Schedule	Shows the amount of service credited, based on the number of hours worked.

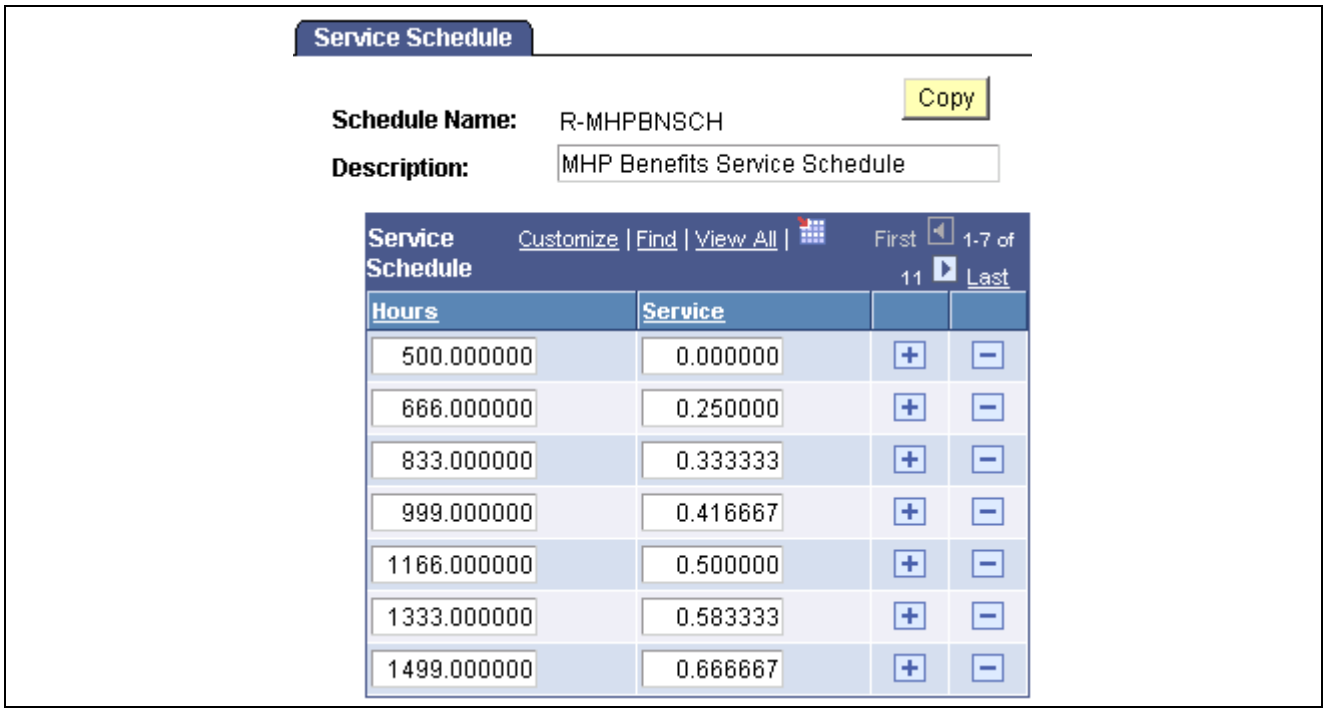
Defining Specific Service Credits by Hours Worked

When the system calculates employee service based on hours, the service definition requires a method for converting hours to service. The Service Schedule page shows the amount of service credited based on the number of hours worked.

Access the Service Schedule page.

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

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Service Schedule page

Hours and **Service** Each row consists of a number of hours and the associated service credit. The system always interpolates by using the next higher value. In the example pictured, an employee with 500 hours receives no service credit, and an employee with 501 hours receives .25 credits.

Note. Always set up service schedules with a zero service row.

Setting Up Hours Equivalence Service

To set up hours equivalence service, use the Hours Equivalence Service (SERVICE_HRS_EQUIV) component.

This section list the pages used to set up hours equivalence service and discusses how to set up hours equivalence rules.

Pages Used to Set Up Hours Equivalence Service

Page Name	Object Name	Navigation	Usage
Service Definition	PA_SVC_DEFINITION	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Service Definition • Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Svc. Def.	Set up basic service information.

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Page Name	Object Name	Navigation	Usage
Time Requirement	PA_SVC_HRS_TIME	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Time Requirement • Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Time Rqmt.	Set up service period thresholds that employees must meet before getting service credit for a computation period.
Service Statuses	PA_SVC_STATUS	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Service Statuses • Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Service Statuses • Set Up HRMS, Product Related, Pension, Components, Service - Elapsed Time, Service Statuses	Establish which employee action and reason codes turn service accrual off and which turn service accrual on.
Add Periods Rules	PA_SVC_ADD_PERIODS	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Add Periods Rules • Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Add Periods Rules	Add time periods to action and reason effective dates.
Future Status Code Adjust (future status code adjustments)	PA_SVC_FUTURE_ADJ	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence - Future Status Adjust • Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting - Future Status Adj. • Set Up HRMS, Product Related, Pension, Components, Service - Elapsed Time Click the Future Stat Code Adj link on any page.	Set up service adjustments—for example, adjusting a current event with a future event.

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Page Name	Object Name	Navigation	Usage
Hours Equivalence Rules	PA_SVC_HREQV	Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Hours Equivalence Rules Click the Hrs. Equ. Rule link on any page.	Specify how much credit to give for what time periods.
Min/Max Hrs (minimum and maximum hours)	PA_SVC_MIN_MAX_HRS	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence Click the Min/Max hrs. Rule link on any page. • Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Min/Max Hrs	Break computation periods into segments, based on HR status changes.
Service Hours Conversion	PA_SVC_HRS_CONVERT	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence, Hrs to Svc Conv. • Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Hrs to Svc Conv.	Set up rules to convert hours to service.
Service Final Handling	PA_SVC_FINAL_RND	• Set Up HRMS, Product Related, Pension, Components, Service - Hours Equivalence Click the Service Final Handling link on any page. • Set Up HRMS, Product Related, Pension, Components, Service - Hours Counting, Service Final Handling • Set Up HRMS, Product Related, Pension, Components, Service - Elapsed Time Click the Service Final Handling link on any page.	Set up any adjustments to the total service amount.

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See Also

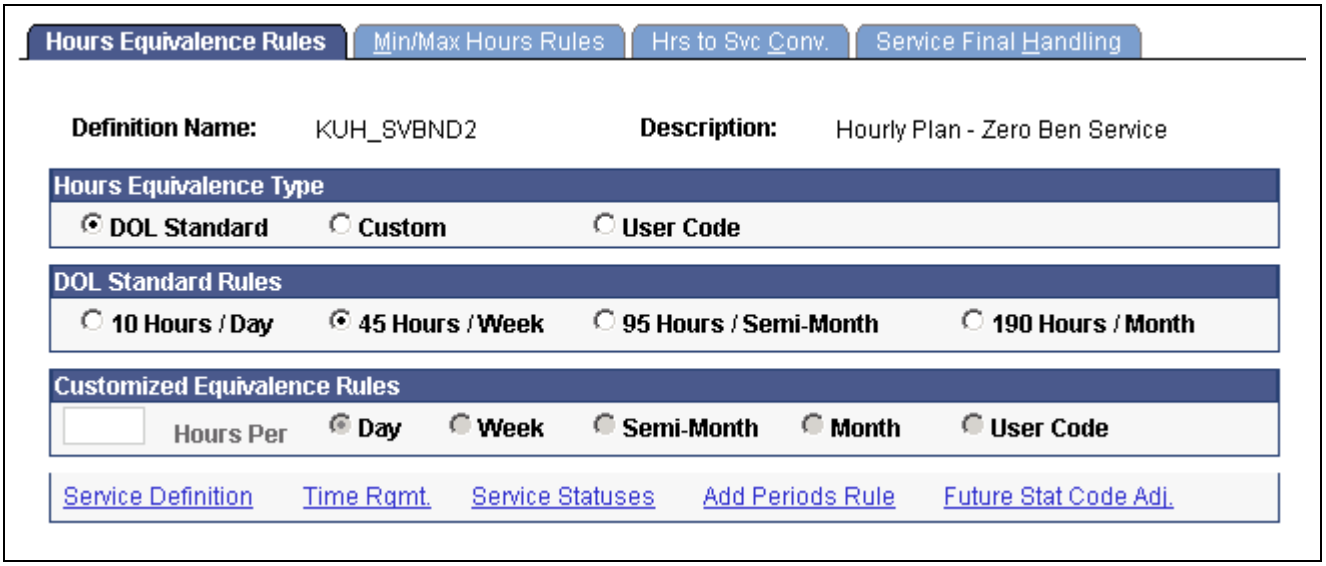
Chapter 15, "Counting Periods of Service," Setting Up Elapsed Time Service, page 106

Chapter 15, "Counting Periods of Service," Setting Up Hours Counting Service, page 120

Setting Up Hours Equivalence Rules

Under the hours equivalence method of service calculation, you associate specific periods of "include service" time with specific numbers of hours.

Access the Hours Equivalence Rules page.



Service - Hours Equivalence - Hours Equivalence Rules page

Hours Equivalence Type

DOL Standard Select this option if you use the Department of Labor (DOL) minimum requirements. Also, select from the options in the DOL Standard Rules group box.

Custom Select this option if you want to enter some other number of hours per period. Also, compete the Customized Equivalence Rules group box:

- Enter the number of hours before Hours Per.
- Select one of the following as the time period:
  - *Day:* The system counts the total number of days in the service period and grants five days of hours for every seven-day period. When the last period has less than seven days, the system grants credit for the first five days, but not for the sixth.
  - *Week:* The system divides the total number of days by seven and grants a week of hours for each of the full weeks and for any remaining days.

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- *Month:* The system counts both whole and partial months from the beginning of the service segment. For example, if Ernie works from March 7, 2004 to September 28, 2004, he gets six months of credit for the time from March 7 to September 7, then an additional month of credit for the remaining portion of September.
- *Semi-Month:* The system gives two semi-month credits for each whole month worked; and it gives one or two more semi-months, depending on whether the remainder is more than a half month. Under this rule, Ernie gets twelve semi-months for the time up to September 7, then two more semi-months for the period from September 7 to September 28. If he had stopped working on September 15, then he would only get one semi-month credit for the remainder.

See Also

Chapter 50, “Configuring Calculations,” page 481

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CHAPTER 16

Defining Vesting Rules

This chapter provides an overview of vesting rules and discusses how to:

- Use vesting results.
- Set up vesting schedules.
- Set up vesting conditions.

Understanding Vesting Rules

An employee's vesting percentage determines the portion of a benefit that the employee owns, even if the employee leaves the company. Typically, vesting is based on years of service, although there can be other requirements—for example, age.

The heart of the vesting rules is a schedule, which associates the vesting percentages with lengths of service or other requirements. The schedule can show a single "cliff" amount after which employees are 100 percent vested, or it can show a series of "steps" over which vesting gradually increases.

There may also be overrides to the schedule or conditions for immediate full vesting or for vesting forfeiture. For example:

- If a plan offers disability retirement, disability may trigger full vesting.
- A contributory plan may state that an in-service withdrawal of contributions triggers vesting forfeiture.

Using Vesting Results

A vesting function result returns a factor that reduces a benefit—for example, .7 if an employee is 70 percent vested. In the benefit formula, you apply the vesting factor to a benefit.

If employees are always fully vested, you don't need to apply the vesting percentage to the benefit formula. However, you may still want to set up a vesting function result so that your employee communications explicitly show that employees are 100 percent vested.

Note. For contributory plans, you don't apply the vesting to the initial benefit. Instead, you use the employee-paid benefit function to determine how much of the benefit is attributable to employee contributions (which are always 100 percent vested). Then you set up a second benefit formula, which subtracts the employee-paid portion from the total benefit to arrive at the employer-paid portion. You use the vesting result within the second benefit formula. After the employer-paid portion is adjusted by applying vesting rules, you may need to set up yet another benefit formula to add back the employee-paid portion.

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Setting Up Vesting Schedules

To set up a vesting schedule, use the Vesting (VESTING) component.

This section provides an overview of vesting schedules, lists the page used to set up a vesting schedule, and discusses how to set up a vesting schedule.

Understanding Vesting Schedules

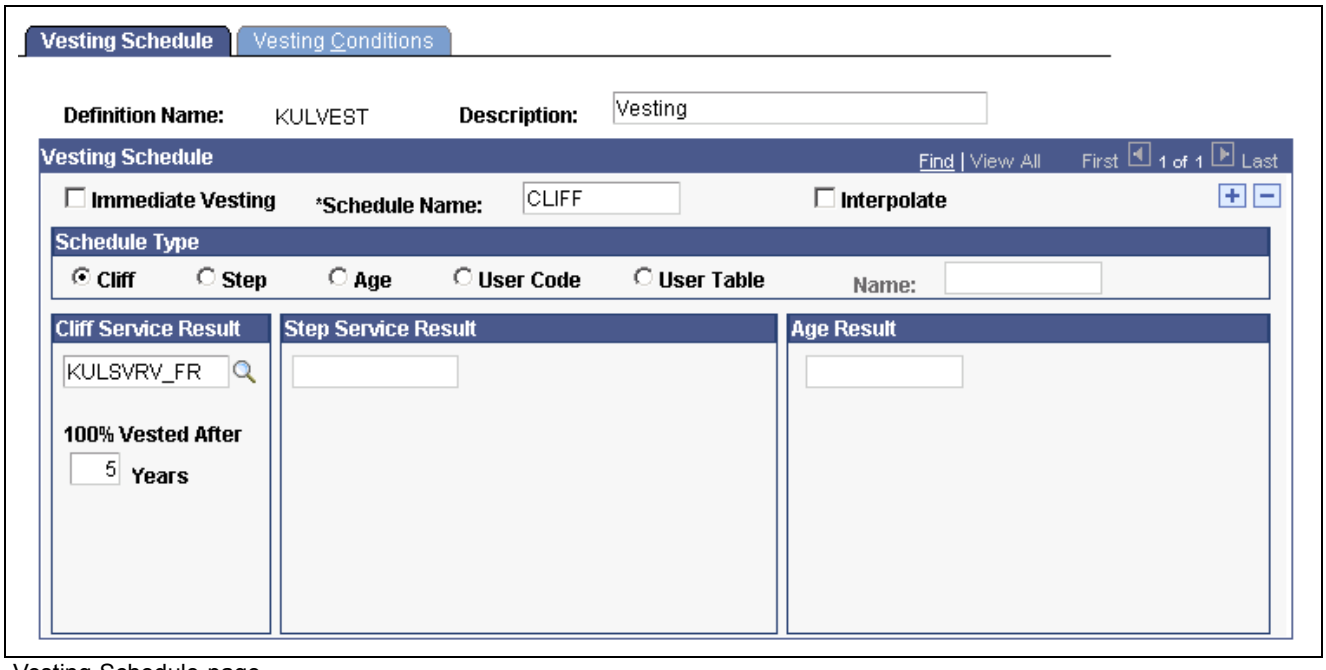
When you set up a vesting schedule, you specify the type, cliff or step. Then you specify additional parameters, such as age. The parameters vary, depending on the type. The Vesting Schedule page shows only the parameters that apply to the type you select.

Page Used to Set Up a Vesting Schedule

Page Name	Object Name	Navigation	Usage
Vesting Schedule	PA_VEST_SCHEDULE	Set Up HRMS, Product Related, Pension, Components, Vesting, Vesting Schedule	Set up vesting schedules based on age, service, or any other requirement.

Setting Up a Vesting Schedule

Access the Vesting Schedule page.



Vesting Schedule page

Vesting Schedule

Immediate Vesting Select this option when employees are always fully vested in their accrued benefit. Do not enter any additional information on the Vesting Schedule and Vesting Conditions pages.

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Schedule Name

Specify the name of the schedule. Except for immediate vesting, employees vest according to a schedule. Although there is usually one schedule per definition, a vesting definition can contain multiple schedules. When such a definition is applied, employees automatically use the schedule that yields the highest vesting percentage.

For example, if vesting usually uses a five-year cliff service schedule, but employees automatically vest at age 65, you could set up two schedules: one for cliff service and one for step service that is age-based, with a single row showing 100 percent vesting at age 65. Employees 65 and over would automatically get 100 percent vesting, regardless of their service.

The most common reason for using multiple schedules is a change to the plan rules. Giving employees the better of the two schedules allows you to grandfather the old rules. Typically, only employees participating as of the date of a rule change use the hybrid definition. You create this restriction by grouping employees within the vesting function result.

Interpolate

Vesting schedules show the percentages used for specific service amounts, ages, or other vesting criteria. You can use interpolation to specify how to deal with employees who fall between the explicitly shown steps on a schedule.

When *Interpolate* is:

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

The system does not interpolate below the lowest step on a schedule.

Schedule Type

Select one of the following five options.

Cliff

Select this option to set up a cliff vesting schedule. A cliff schedule is one of two types of service-based vesting schedules. It grants full vesting after a specified number of years of service.

When you select *Cliff,* complete the parameters in the Cliff Service Result group box.

Step

Select this option to set up a step vesting schedule. A step schedule is the second type of service-based vesting schedule, where employees vest in increments.

When you select *Step,* complete the parameters in the Step Service Result group box.

Age

Select this option to specify the age requirements for vesting.

User Code

Select this option to use your own customized vesting rules.

User Table

Select this option to set up a table lookup. Enter the alias for your table lookup in the Name field.

Cliff Service Result

Fill in this information when you select *Cliff* in the Schedule Type field.

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Cliff Service Result Enter the name of the cliff service result in the first text box.

Note. You may have different service function results for vesting service, participation service, and credited service.

100% Vested After Enter the number of years required for vesting in the Years field. Be sure your service function result is set to measure service in years.

Step Service Result

Fill in this information when you select *Step* in the Schedule Type field.

Step Service Result Enter the name of the step service result in the first text box.

Service Enter the minimum years of service for a particular vesting percentage.

Percent Enter the vesting percentage associated with the number of years you enter in Service.

Note. Do not enter a row for zero service; the system assumes that zero service always results in zero vesting.

Age Result

Fill in this information when you select *Age* in the Schedule Type field.

Age Result Enter an alias for the employee's age in the first text box. This is a duration alias for the employee's age at the event date.

Age Enter an age for each row in your vesting schedule.

Percent Enter the percentage associated with the number you enter in Age.

See Also

Chapter 30, "Creating Table Lookup Aliases," page 257

Chapter 50, "Configuring Calculations," page 481

Setting Up Vesting Conditions

To set up vesting conditions, use the Vesting (VESTING) component.

This section provides an overview of vesting conditions, lists the page used to set up vesting conditions, and discusses how to set up conditions.

Understanding Vesting Conditions

When you set up a vesting schedule, you can set up conditions for vesting. Conditions are events that trigger either full vesting or forfeiture. They can include such events as death, disability, eligibility for early retirement or another type of benefit, and withdrawal of an employee's contributions.

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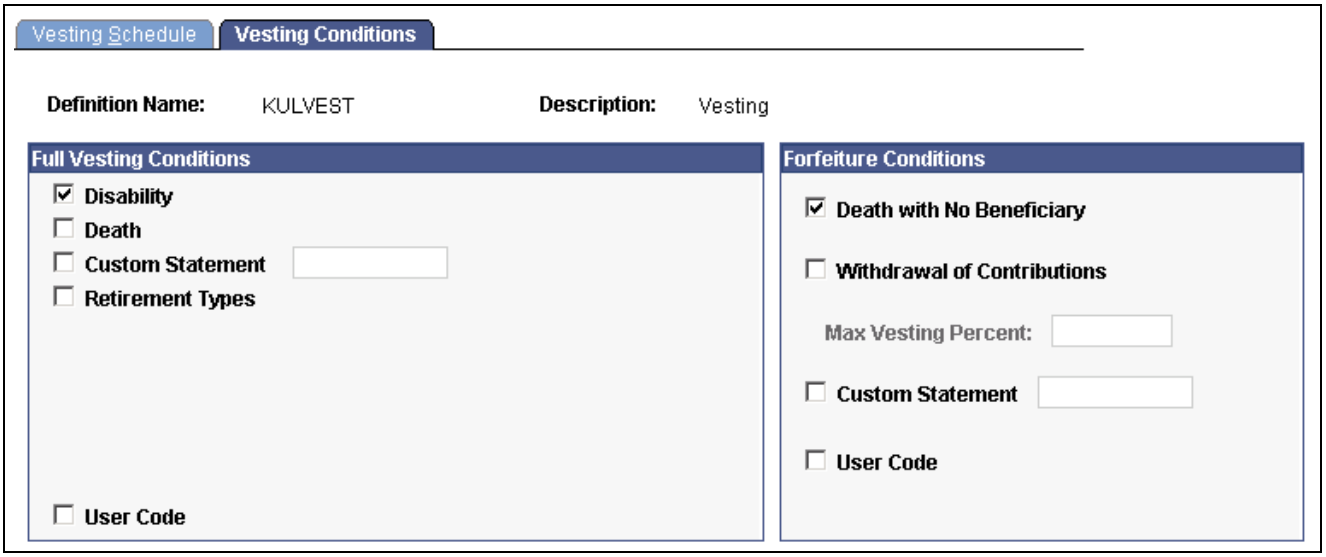
Note. If you select *Immediate Vesting* in the Schedule Type field on the Vesting Schedule page, do not enter any information on the Vesting Conditions page.

Page Used to Set Up Vesting Conditions

Page Name	Object Name	Navigation	Usage
Vesting Conditions	PA_VEST_CONDITIONS	Set Up HRMS, Product Related, Pension, Components, Vesting, Vesting Conditions	Specify events or other conditions that override a vesting schedule and trigger either full vesting or forfeiture.

Setting Up Conditions

Access the Vesting Conditions page.



Vesting Conditions page

Note. Full vesting triggers have precedence over forfeiture triggers. For example, if death is a full vesting condition, calculations based on a death reason always grant full vesting, even if an employee meets a forfeiture condition such as death with no beneficiary.

Full Vesting Conditions

Select one or more of the following five options.

Disability Select this option when disability triggers full vesting. The vesting calculation checks the reason code for the calculation to verify whether either condition is met.

Death Select this option when death triggers full vesting. The vesting calculation checks the reason code for the calculation to verify whether either condition is met.

Custom Statement Select this option to use your own custom statement. Enter the custom statement name in the text box.

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The custom statement should consist of a Boolean statement that specifies the conditions for full vesting. For example, if a special early retirement window offers full vesting, you might use a statement like this: `If Event Date is greater than 1/1/2005 and Event Date is less than 1/1/2006` (As with all group custom statements, the "then" part of the if-then statement is implied.) If the custom statement is true, employees meet the full vesting conditions.

Retirement Types Select this option to grant full vesting to employees, based on eligibility for specific retirement benefits, such as early retirement. If you set up death and disability retirement types, you can use those instead of the Death and Disability options on this page. This enables you to check employee data for death and disability conditions, rather than relying on the pension administrator to set a particular calculation reason.

Information about an employee's retirement type is provided by the benefit eligibility function. To indicate that a particular retirement type triggers full vesting, add the benefit eligibility function result for that retirement type to the Retirement Type list.

If you include retirement types as triggers for full vesting, you need to be sure to process those benefit eligibility function results before you process the vesting function. This means you have to place them before vesting in the calculation job stream.

User Code Select this option to use your own custom code to evaluate full vesting conditions.

Forfeiture Conditions

Select one or more of the following five options. These indicate events that override all vesting schedules and cause employees to forfeit their rights to accrued pension benefits.

Death with No Beneficiary Select this option if an employee who dies without a beneficiary forfeits all right to a pension benefit. If the event type on the calculation page is death, the vesting function first checks the plan beneficiary table where you record beneficiaries who are not spouses. If no beneficiary is specified, the system selects the Death with No Beneficiary check box.

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

Max Vesting Percent Specify the break point for forfeiture. This field is used with the Withdrawal of Contributions option.

For example, a terminated employee who is 80 percent vested might retain that 80 percent even after withdrawing contributions, while an employee who is only 40 percent vested might have to forfeit this vesting after withdrawing contributions. If you do not enter a maximum percentage, withdrawal of contributions always triggers forfeiture.

Custom Statement Select this option to set up other forfeiture conditions by creating a custom statement. Enter the custom statement name in the text field.

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The custom statement should consist of a Boolean statement that specifies the conditions for forfeiture. If the custom statement is true, employees meet the forfeiture conditions.

User Code Select this option to use your own custom code to evaluate forfeiture conditions.

See Chapter 17, "Defining Benefit Eligibility," page 143 and Chapter 42, "Creating the Plan Implementation and Plan Aliases," Understanding Plan Implementation and Plan Aliases, page 363.

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CHAPTER 17

Defining Benefit Eligibility

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

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

Understanding Benefit Eligibility

A pension plan typically defines a number of different retirement types: reduced and unreduced early retirement, normal retirement, and others, and a plan may have ancillary benefits for disability or death. Each of these benefits has its own eligibility requirements, often age and service requirements for retirement and proof of status for ancillary benefits.

There are two reasons to have a pension system determine the benefits for which an employee is eligible:

- The benefit type may impact the calculation of benefits.

  For example, if a death benefit provides 100 percent vesting and a benefit that is 50 percent of the normal retirement benefit, the system must know when it is calculating a death benefit.

- Calculation results are always tied to a single assumed benefit commencement date.

  You can use the benefit eligibility results to see what type of retirement is associated with that benefit commencement date.

  You set up a function result for each retirement or ancillary benefit that your plan includes. The benefit eligibility function evaluates the eligibility requirements.

Using Benefit Eligibility Results

You use benefit eligibility results primarily for reporting and for grouping logic. For example, if you set up a group containing only the employees eligible for early retirement, you can use this group when calculating early retirement factors or benefits.

You can use the same grouping strategy in other functions. For example, a death benefit offers different optional forms from an actual retirement, so the optional forms of payment function result consists of two definitions. The groups for those definitions check benefit eligibility to determine whether you are calculating a death benefit.

You can also use benefit eligibility results in the vesting function. The vesting pages provide a place to list any retirement types that trigger full vesting.

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The calculation worksheet includes information about an employee's retirement type, and you'll probably want to include this information in your employee communications.

Making Retirement Types Mutually Exclusive

A benefit eligibility function result returns eligible or ineligible. An employee can be eligible for more than one benefit, for example normal retirement and early retirement.

If you want to ensure that employees are only eligible for one retirement type—for example, normal retirement but not early retirement—you must configure the definitions appropriately. In this case, the early retirement definition would include a condition requiring that the employee be ineligible for normal retirement. Such a condition, in turn, means that the system must evaluate normal retirement eligibility before evaluating early retirement eligibility. Thus, the normal retirement function result is placed before the early retirement function result in the job stream.

You can use the same principle to make several or all of the retirement types mutually exclusive. Pay close attention to dependencies so that the function results are in the right order in the job stream. Also, remember that when you enter the definitions, you have to set up the first benefit eligibility definition *and* function result before setting up the next benefit eligibility definition.

If you set up vested and unvested termination retirement types, you may want to keep them out of the mutually exclusive group. This way a terminated vested employee can be eligible for normal or early retirement benefits and still retain the terminated vested designation.

Understanding Benefit Eligibility Age Requirements

Benefit eligibility age requirements are typically based on an employee's age at benefit commencement date (BCD). That is, if a plan's normal retirement age is 65, a participant becomes eligible for normal retirement benefits at 65, regardless of when he separates from service.

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

If you use benefit eligibility in your grouping for other functions, you'll probably set up the benefit eligibility criteria based on BCD. For example, you have separate benefit formulas for early retirement, available at age 55, and normal retirement. Eligibility for early retirement is part of the group criteria for the early retirement benefit formula. If you base early retirement eligibility on the age at BCD, the system can calculate early retirement benefits for terminated vested employees who are at least 55 years old. If eligibility were based on the age at event date, you could never calculate early retirement benefits for someone who separated from service before reaching early retirement age.

If you do not use benefit eligibility as grouping criteria, you might choose to use the age at event date in determining eligibility. This way the calculation tells you the benefits for which an employee is eligible at the time of separation from service.

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

Establishing Retirement Types and Eligibility Conditions

To establish retirement types and eligibility conditions, use the Benefit Eligibility (BENEFIT_ELIG) component.

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This section provides an overview of retirement types and eligibility conditions, lists the page used to establish retirement types and eligibility conditions, and discusses how to:

- Establish benefit eligibility.
- Set other eligibility parameters.

Understanding Retirement Types and Eligibility Conditions

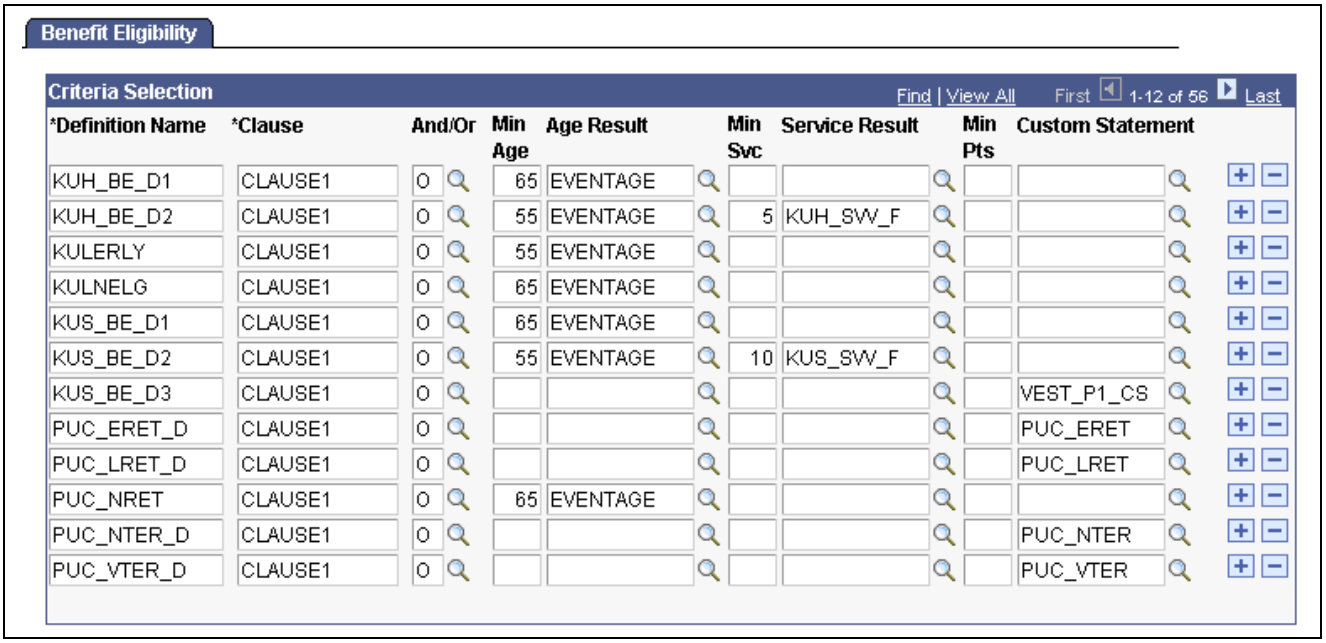
Your plans most likely provide for several types of retirement benefits (for example, early, normal, and late retirement) and ancillary benefits (for example, death and disability). The criteria you define—typically age and service for retirement benefits—determine whether employees are eligible for particular benefits. You set up these criteria on the Benefit Eligibility - Benefit Eligibility page.

Page Used to Establish Retirement Types and Eligibility Conditions

Page Name	Object Name	Navigation	Usage
Benefit Eligibility	PA_BENELIG_EZ	Set Up HRMS, Product Related, Pension, Components, Benefit Eligibility, Benefit Eligibility	Establish retirement types and eligibility criteria.

Establishing Benefit Eligibility

Access the Benefit Eligibility page.



Benefit Eligibility page

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

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Note. If you want to see definitions in a particular order (for example, grouped by plan), create a naming standard so that the definitions appear on the page in alphabetical order.

Each definition consists of one or more eligibility clauses. To meet the eligibility requirements of a clause, an employee must meet all the criteria in that clause—that is, conditions within a row are connected with *and.* When a definition consists of multiple clauses, choose whether to connect the clauses with *and* or *or* logic, represented respectively by the values *A* and *O.*

Definition Name Name and identify definitions. Each row is a single clause in a definition.

Clause When you create the first clause of a definition, enter a unique definition name. Enter the same definition name when you create additional clauses, and then distinguish the clauses by entering a unique value in the Clause field. PeopleSoft suggests numbering the clauses within a definition to easily see how many clauses there are.

And/Or If a definition has multiple clauses, link clauses with *and* and *or* connectors. The system evaluates each clause independently and compares it to the cumulative result of all previous clauses. Therefore the order of the clauses is extremely important.

Min Age (minimum age) Enter the minimum age.

Age Result Enter the age result. The age result is the alias for an employee's age. It is a duration alias, typically for the employee's age at benefit commencement date.

Min Svc (minimum service) Specify the minimum service requirement.

Service Result Specify the service (function) result that provides the employee service information.

Min Pts (minimum points) Specify the minimum points (age + service) requirement.

Custom Statement Specify customized additional rules for eligibility requirements.

See Also

Chapter 17, "Defining Benefit Eligibility," Understanding Benefit Eligibility Age Requirements, page 144

Setting Other Eligibility Parameters

Benefit eligibility rules can contain a wide range of additional requirements. For example, eligibility rules for death benefits can check for the date of death field in the personal data record or look for a death action in an employee's job record. Furthermore, eligibility for a death benefit might depend on whether the employee was married at the time of death. The Custom Statement utility handles this type of logic.

A custom statement should consist of a Boolean statement. An employee who meets the conditions is deemed to meet the eligibility requirements. For example, if a special early retirement is available to those in Union 81, you might use a statement like this: `If Union Code is equal to 81` (As with all group custom statements, the *then* portion is implied.)

See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," page 297

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CHAPTER 18

Defining Final Average Earnings

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

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

Understanding Final Average Earnings

In Pension Administration, the consolidated earnings process gathers periodic earnings data. Then the final average earnings function selects the appropriate periods, applies any limits, and finds the average. Final average earnings definitions include parameters for handling different types of earnings periods, such as partial, final, or zero earnings periods.

Using Final Average Earnings Results

Typically, you reference the average earnings result from the benefit formula.

If you choose to apply a 401(a)(17) limit, or any other earnings limit, the final average earnings function produces a limited result and an unlimited result. The function result name represents the limited result, and you can set up an additional alias to reference the unlimited result. You can use this if you sponsor a nonqualified supplemental plan that pays the difference between a limited and an unlimited benefit.

Although this function result alias is not required, the calculation issues a warning if there isn't one. PeopleSoft suggests that you define a function result alias even if you do not use it.

See Also

Chapter 33, "Using Function Result and Actuarial Factor Aliases," Understanding Function Result Aliases, page 289

Setting Up the Final Average Earnings Function

To set up the final average earnings function, use the Final Average Earnings (AVERAGE_EARNINGS) component.

This section provides an overview of the Final Average Earnings pages, lists the pages used to set up the final average earnings function, and discusses how to:

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- Set up consolidated earnings and earnings history periods.
- Define adjustments and generate and adjust earnings.

Understanding the Final Average Earnings Pages

The consolidated earnings process produces periodic earnings totals—for example, an earnings total for each calendar year or anniversary year worked. If the benefit formula includes an average earnings component, use the Final Average Earnings pages to specify parameters for averaging those periodic earnings amounts.

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

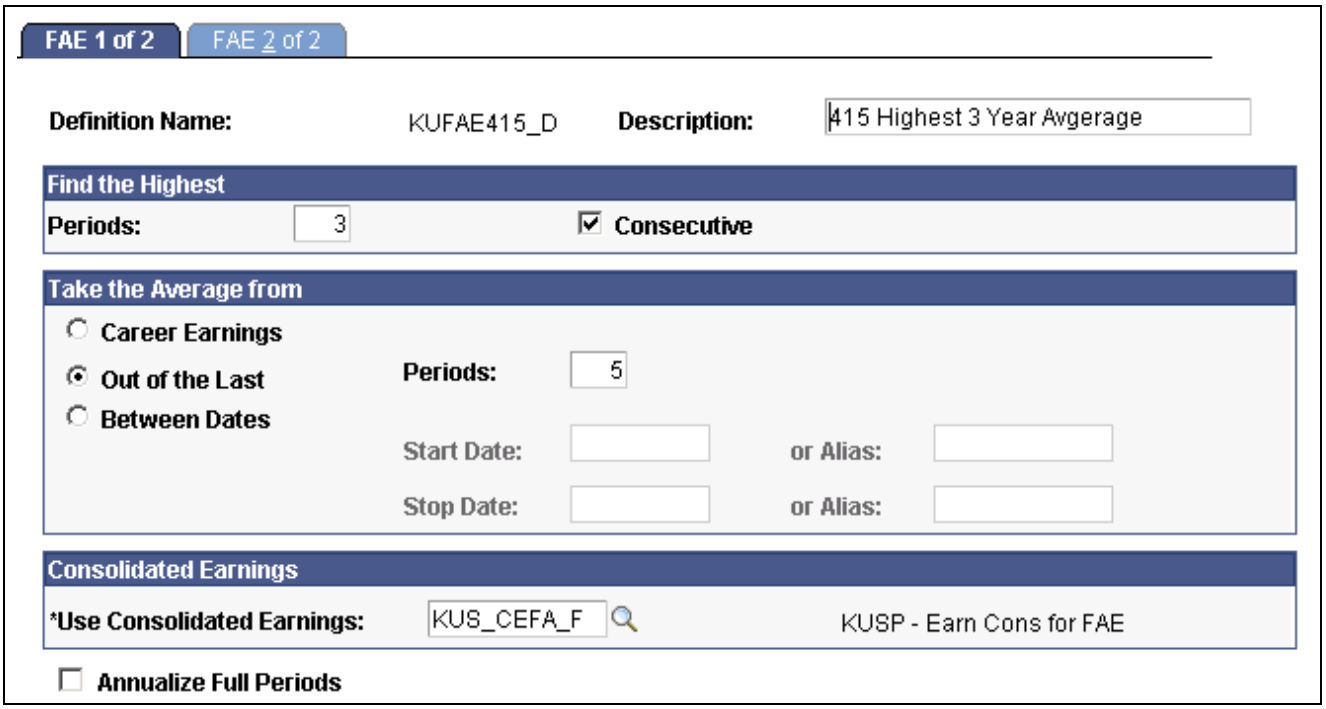
Pages Used to Set Up the Final Average Earnings Function

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

Setting Up Consolidated Earnings and Earnings History Periods

Access the FAE 1 of 2 page.

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Final Average Earnings - FAE 1 of 2 page

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

Find the Highest

Periods Specify the number of highest-earning periods to use.

Consecutive Select to use the highest consecutive earning periods.

Take the Average from

Whether you use all earnings periods or highest-earning periods, you can limit your averaging to periods within a defined time period. To do this, select one of the following options.

Career Earnings This option looks at all available earnings.

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

On the FAE 2 of 2 page, you can direct the system to ignore final periods or periods with zero earnings. Ignored periods don't count when selecting the last periods. If you ignore the final period, the last five periods are the five periods before the final period.

Between Dates Enter the start date and stop date for the time period. You can enter either a constant date or an alias. For example, you might use all periods between the plan participation date (date of plan entry) and the event date, excluding earnings from the periods before an employee meets the participation criteria.

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Consolidated Earnings

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

Earnings data is maintained by the earnings consolidation process. You define rules on the consolidated earnings pages. Periodic processing creates the earnings data by applying those rules to data in PeopleSoft Enterprise Payroll tables.

Annualize Full Periods Select this option to annualize earnings for a period in which an employee worked the entire period, but accrued less than full service. Earnings are annualized based on the service function result for periods that have a partial period indicator of *N* (not a partial period).

For example, if actual earnings are 18,000 USD, accrued service for the period is 0.75, and the partial period indicator for the period is *N,* then the annualized amount is 18,000 USD/0.75 or 24,000 USD.

Note. The final average earnings and service function results must have the same computation period.

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

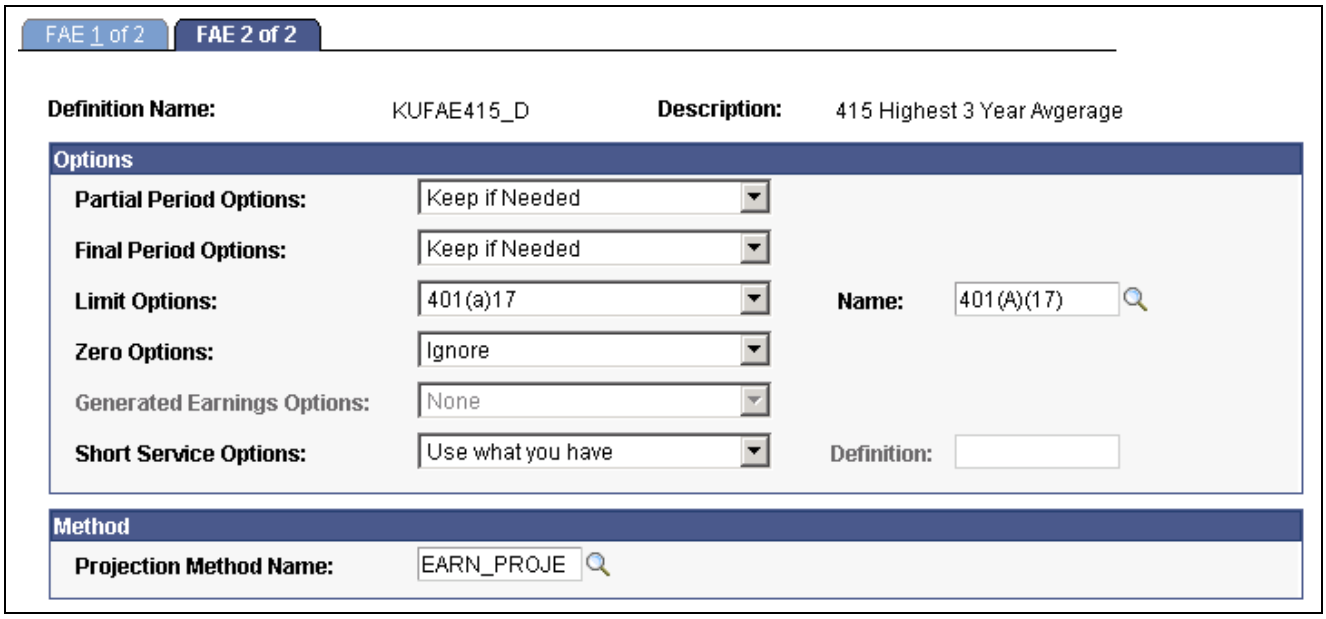
Annualize Partial Periods Earnings are annualized for partial service periods (partial period indicator is *Y).* This is based on the service function result indicated.

See Also

Chapter 11, "Consolidating Payroll Data," page 61

Defining Adjustments and Generating and Adjusting Earnings

Access the FAE 2 of 2 page.



Final Average Earnings - FAE 2 of 2 page

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Options

Partial Period Options

The consolidated earnings history can include partial periods for any number of reasons. The consolidation process marks partial periods according to the criteria you set up in the consolidated earnings definition. Typically, they are based on the occurrence of specified human resources (HR) actions, such as leaves of absence, but they may be based on other criteria that you define.

Select one of the following values to indicate how to process partial periods:

Always Ignore: Never include partial periods, regardless of their effect on the average.

Always Use: Use the partial period, but take the period length into account in the averaging process.

Keep if Needed: Include the period only if the averaging definition specifies a certain number of periods to be averaged and an employee doesn't have enough periods unless the partial period is included.

Treat as Full: Treat partial period earnings the same as full period earnings. Include them in the average without taking into account the shorter length of the period.

User Code: Select this option to use customized code for including partial periods.

With *Always Use,* you need to know the length of the short period. The consolidated earnings function calculates a partial period fraction for each partial period, and this fraction tells the system how much of the period counts.

Compare how *Always Use* and *Treat as Full* average the following five earnings periods: four full calendar year periods with earnings of 30,000 USD, 31,000 USD, 32,000 USD, and 33,000 USD; one partial period with earnings of 17,000 USD and a partial period fraction of ½ (meaning that the employee worked for half of the period).

In both cases, the averaging numerator is the sum of all the amounts: 143,000 USD. With *Always Use,* the averaging denominator is the sum of all the period lengths: 4.5. The average, therefore, is 31,777.78 USD. Using *Treat as Full,* the numerator is the same, but the denominator is five because the system does not take into account the shorter length of the partial period. This yields a significantly lower average: 28,600 USD.

Keep if Needed also ignores the partial period length.

Final Period Options

Final period values include all the partial period options plus two more:

Use if Higher Average: If the final period is one of the highest periods or is part of the consecutive group with the highest average, include it. Otherwise, ignore the period.

Use Only Full: Use the final period if it is a full period.

Limit Options

Use this field to limit the periodic earnings that the consolidated earnings process provides.

Select one of these values:

Maximum Taxable Wage Base: Limit annual earnings to the maximum taxable wage base (TWB). If the period is a calendar year, the system uses the TWB for that year as the limit. Otherwise, the system uses the TWB from the year

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that has the most days in the period. For example, if the period is 11/01/2003 to 10/31/2004, the limit is the TWB for 2004.

None: There are no earnings limits.

User Code Before Averaging: Use a custom limit that is applied to each period before averaging.

User Code While Averaging: Use a custom limit that is applied to the average.

401(a)17: Earnings to be averaged are limited according to the 401(a)(17) parameters you specify in the adjoining Name field. Also, the final average earnings result is limited to the 401(a)(17) limit in effect at the event date.

Note. Both *401(a)17* and *Maximum Taxable Wage Base* limit the earnings before determining the high periods or the high consecutive periods. If your plan uses limits that can't be determined until the high periods or high consecutive periods have been identified, you must select *User Code While Averaging.*

Zero Options

Includes User Code.

Ignore: Never include any periods with zero earnings.

Replace with Look Back: Replace the zeros with the prior non-zero value.

Use: Treat zero earnings the same as any earnings. Include them in the average, allowing them to reduce the result.

When you set Zero Options, be sure you understand when and why the consolidated earnings process produces zero earnings periods. Because consolidated earnings periods must be consecutive, you never have an interrupted earnings history; instead, you have zero earnings periods.

Consider Howard, who participated in the plan for five years, then changed jobs and wasn't eligible for the plan for ten years, then changed jobs again to become eligible once more. If the consolidated earnings definition is set up not to count any earnings for the period of ineligibility, Howard has ten earnings rows with zero earnings. On the other hand, if your consolidated earnings definition continues to count earnings or generate earnings for the ten years of ineligibility, there are no zero rows.

Margie, on the other hand, actually left the company for ten years. She has ten periods with zero earnings unless the consolidated earnings definition generates earnings for these periods.

Note. Consolidated earnings history consists of uninterrupted consecutive rows. Employees with interrupted earnings histories have zero earnings periods unless the consolidated earnings definition generates earnings for those periods.

Generated Earnings Options

Enables you to generate earnings by looking back to previous periods included in the high average. Because the generation does take place until the high periods are identified, the consolidation process cannot generate this final amount.

Note. This functionality is not currently available.

Short Service Options

Some of the average earnings parameters on the FAE 1 of 2 page imply a need for a minimum number of periods. For example, a plan may use the highest five consecutive years in the last fifteen years. An employee hired at age 62 becomes 100 percent vested and entitled to a normal retirement benefit at age 65, but doesn't have enough years of earnings to use the plan's regular final average earnings rules.

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Includes User Code.

Different FAE Definition: Use another set of final average earnings parameters. Enter the name of the alternate parameter set in the Definition field.

Use what you have: Average as many periods as an employee has. Periods that are ignored because of other parameters (zero earnings periods or partial periods) are still ignored with this option.

Projection Method Name Because consolidated earnings data is not always available for all periods up to the event date (specifically, for estimates with event dates in the future), every final average earnings definition requires a projection method. The projection method establishes an annualized amount for the current period. It then applies the assumed salary escalation rate (entered on the calculation page) to estimate future periods. The final period earnings are prorated using rules from the projection method.

See Also

Chapter 39, "Projecting Hours and Earnings," page 341

Chapter 38, "Applying Section 401(a)(17) Earnings Limits," page 329

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CHAPTER 19

Defining Cash Balance Accounts

This chapter provides an overview of the cash balance accounts function and discusses how to:

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

Understanding the Cash Balance Accounts Function

The cash balance accounts function tracks the hypothetical employee accounts used in a cash balance plan to represent employees' accrued benefits. This function keeps track of periodic, annual, or monthly credits and interest and maintains a running balance.

Using the Cash Balance Accounts Function

A cash balance plan is a benefit plan structured so that an employee's benefit looks like a growing account balance, similar to a 401(k) plan. A hypothetical account grows through an accumulation of credits—typically based on earnings—and the hypothetical interest they accrue. The interest is determined by plan rules, not by actual investment performance, so the benefit is still definitely determinable.

If your organization sponsors a cash balance plan, you use the cash balance accounts function to calculate the credits and interest that make the account grow. The function result is a dollar amount at the event date, though you can also calculate the values as of other dates.

Your benefit formula might consist simply of the account balance, in which case the "normal" form of the benefit is a lump sum. It's also possible that the normal form is an annuity that is actuarially equivalent to the account balance. You can use the factor utility to convert the lump sum to an actuarially equivalent annuity. Regardless of how you express the normal form of the benefit, only forms included in the corresponding optional form set are actually available to the employee.

See Also

Chapter 33, "Using Function Result and Actuarial Factor Aliases," page 289

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Maintaining Cash Balance Accounts

The cash balance accounts function keeps track of a growing account, much like a bank account.

The bank updates your balances every time you make a deposit or earn interest. So it is with cash balance accounts, except that cash balance accounts credits, a percentage of an employee's earnings, occur on a predictably repeating cycle—the same monthly or yearly cycle as the consolidated earnings that provide the earnings data.

To run cash balance accounts as a periodic process, select Pension, Periodic Processes, Request Process. The Batch Periodic Process page includes options to process cash balances. To maintain your account balances, you need to update your cash balance accounts immediately after updating the supporting consolidation.

When you run periodic processing, the system stores the results in a permanent cash balance account history. When you then run a calculation, the system uses that permanent history and only calculates accruals from that point forward.

See Also

Chapter 19, "Defining Cash Balance Accounts," Referencing Cash Balance Results at Different Dates, page 156

Chapter 51, "Maintaining Employee Pension Data," page 493

Chapter 45, "Running Periodic Processes," page 389

Referencing Cash Balance Results at Different Dates

The value of a cash balance account changes over time. Although a cash balance accounts function result provides the value of the account at event date, the system also calculates the value at other dates: normal retirement date, benefit commencement date, and lump sum date. Moreover, if you've applied 401(a)(17) limits to the earnings used in determining cash balance credits, the system calculates both the limited and unlimited amounts at each of these three dates. To reference any of these six results, set up a function result alias on the Function Result Alias page.

See Also

Chapter 33, "Using Function Result and Actuarial Factor Aliases," page 289

Setting Up Cash Balance Parameters

To set up cash balance parameters, use the Cash Balance Accounts (CASH_BALANCE_ACCOU) component.

This section provides and overview of the Cash Balance pages, lists the pages used to set up cash balance parameters, and discusses how to:

- Establish the earnings basis and accumulation period.
- Specify the percentage of earnings take method.
- Specify the rates to use.

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Understanding the Cash Balance Pages

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

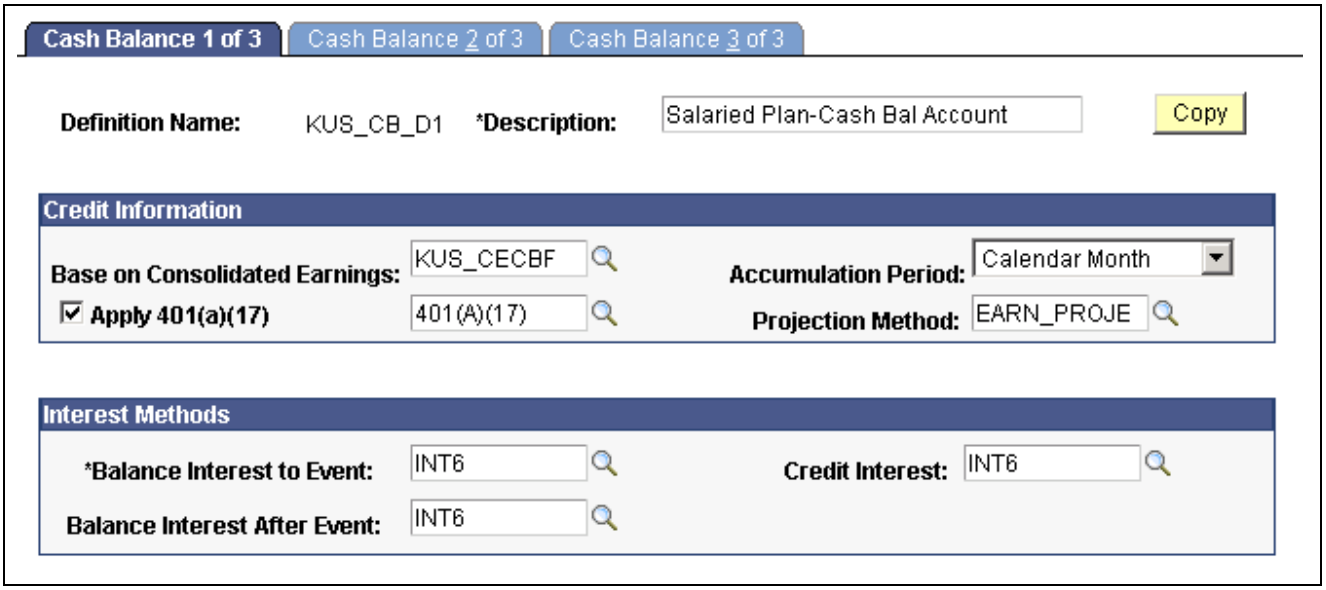
You use the Cash Balance pages to set up parameters for handling the credits and interest.

Pages Used to Set Up Cash Balance Parameters

Page Name	Object Name	Navigation	Usage
Cash Balance 1 of 3	PA_CSHBAL_ACCT_C1	Set Up HRMS, Product Related, Pension, Components, Cash Balance Accounts, Cash Balance 1 of 3	Establish the earnings basis used to calculate cash balance credits and to set the cash balance accumulation period.
Cash Balance 2 of 3	PA_CSHBAL_ACCT_C2	Set Up HRMS, Product Related, Pension, Components, Cash Balance Accounts, Cash Balance 2 of 3	Specify a method for taking a percentage of earnings.
Cash Balance 3 of 3	PA_CSHBAL_ACCT_C3	Set Up HRMS, Product Related, Pension, Components, Cash Balance Accounts, Cash Balance 3 of 3	Specify the rate or rates to use, regardless of whether you use a level rate or different rates above and below a threshold.

Establishing the Earnings Basis and Accumulation Period

Access the Cash Balance 1 of 3 page.



Cash Balance Accounts - Cash Balance 1 of 3 page

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Credit Information

Base on Consolidated Earnings

Indicate the consolidated earnings function result you use as the source of your earnings data.

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

Accumulation Period

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

Cash balance accounts grow over defined accumulation periods. For example, a plan may grant credits every calendar year or every plan year. Interest is credited at the end of the accumulation period.

When you look at the results of your cash balance calculations, you see the total for each period, as well as the balance at the end of each period.

Note. Your cash balance accumulation period must match the accumulation period for the consolidated earnings you specify.

Apply 401(a)(17)

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

Projection Method

Enter a projection method.

Because consolidated earnings data is not always available for all periods (it is not available for estimates with event dates in the future), every cash balance accounts definition requires a projection method. The projection establishes an annualized earnings amount for the current period and then applies the assumed salary escalation rate (entered on the calculation page) to estimate future periods. The final period earnings are prorated using rules from the projection method.

Interest Methods

Employees receive interest at the end of each accumulation period.

You can use different interest methods for amounts credited during the current period and for prior balances. You can also use different prior balance methods before the event date and after the event date.

Balance Interest to Event

Enter a method to use for balances up to the event date.

Balance Interest After Event

Enter a method to use for balances after the event date.

Credit Interest

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

See Also

Chapter 38, “Applying Section 401(a)(17) Earnings Limits,” page 329

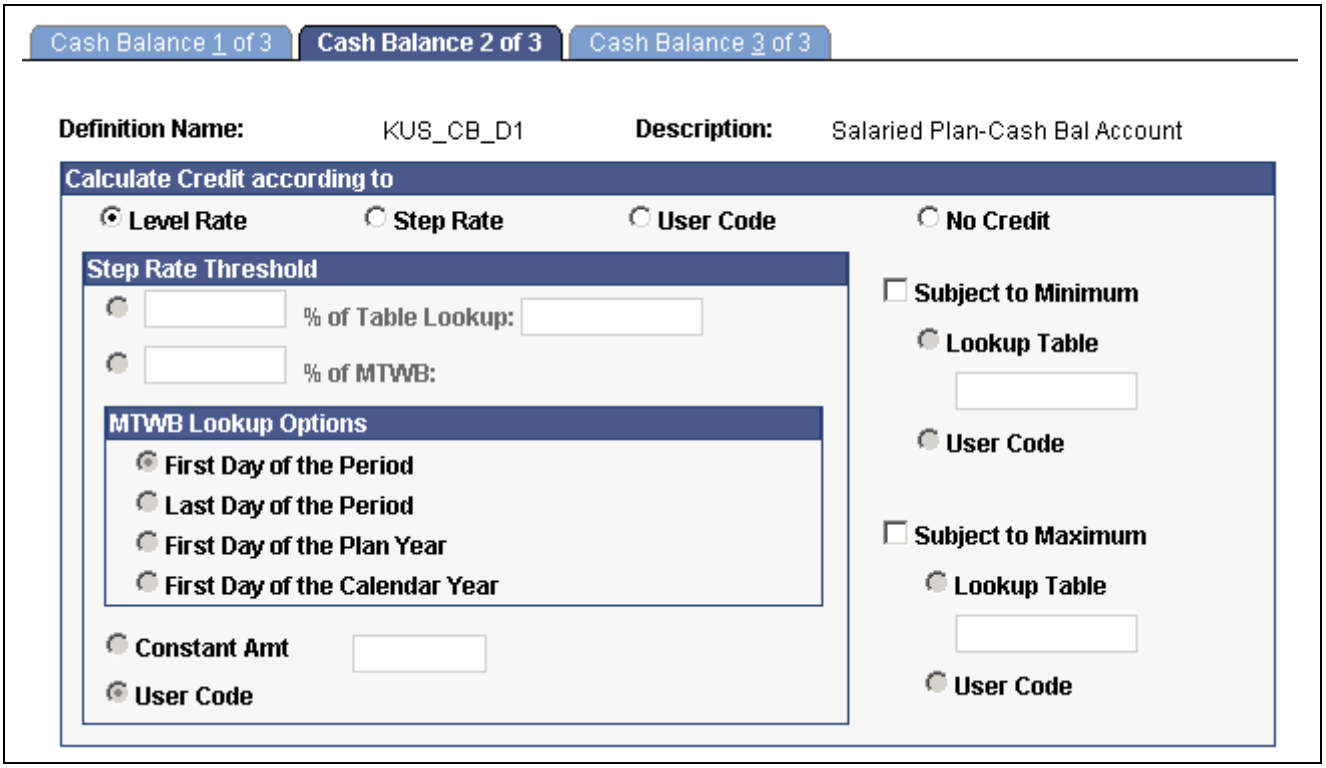
Chapter 39, “Projecting Hours and Earnings,” page 341

Chapter 37, “Using Interest Methods,” page 325

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Specifying the Percentage of Earnings Take Method

Access the Cash Balance 2 of 3 page.



Cash Balance Accounts - Cash Balance 2 of 3 page

Calculate Credit according to

To accumulate credits based on earnings, you need to indicate the percentage of the earnings to use. Select one of the following options.

Level Rate Uses the same percentage for all earnings.

Set the rate used on the Cash Balance 3 of 3 page.

Step Rate Uses one rate below a threshold amount and another rate above the threshold.

Enter additional information in the Step Rate Threshold group box. Also, set the rate used on the Cash Balance 3 of 3 page.

User Code Uses customized code.

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

You typically use this option for periods after the event date or for periods of ineligibility, such as those preceding a rehire or a return from leave. You use the system's grouping capabilities to apply the no credit definition to the appropriate period of time.

Step Rate Threshold

Enter information in this group box if you select Step Rate under Calculate Credit according to.

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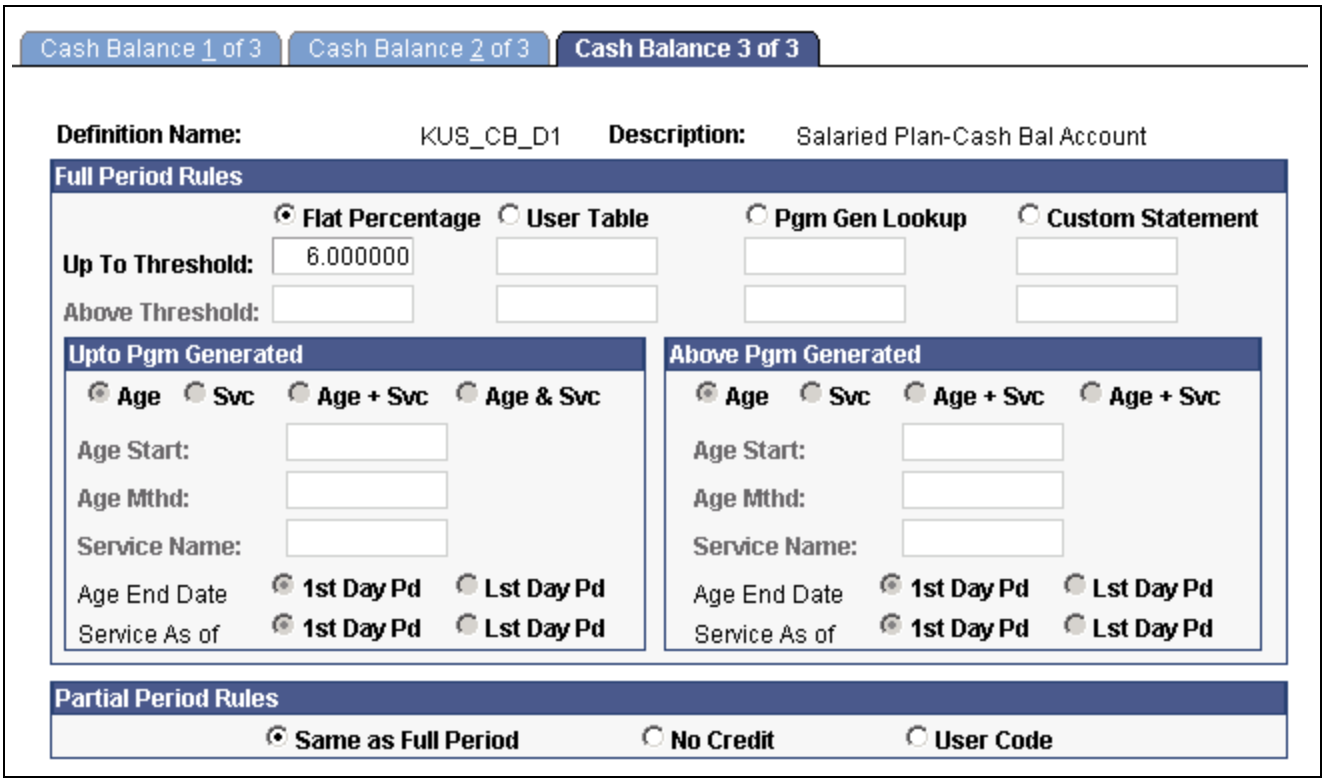
% of Table Lookup	You can vary the threshold by selecting this option, entering a fixed percent, and indicating a table lookup alias. The cash balance function looks up the rate, based on the criteria you define, to find a single threshold amount that applies to all periods. The system does not support table lookups that find different thresholds for different periods unless the threshold is based on the maximum taxable wage base.
% of MTWB (percentage of maximum taxable wage base)	Select this if your lookup is based on the maximum taxable wage base. Because the maximum taxable wage base changes every year, the system looks up the value for each accumulation period. Select one of the following to indicate the date on which to base the lookup: First Day of the Period, Last Day of the Period, First Day of the Plan Year, or First Day of the Calendar Year. When you use either the plan year or calendar year option, the system uses the plan year or calendar year that contains the first day of the accumulation period.
Constant Amt (constant amount)	Set a constant amount threshold.
User Code	Use your own custom user code to set the step rate threshold.
Subject to Minimum and **Subject to Maximum**	Set minimum and maximum credits per accumulation period. Your cash balance plan may give a fixed number of credits (for example, 500 per year), rather than basing the credits on earnings. In this case, you can use the minimum and maximum earnings limits to force the correct number of credits. If you do apply a limit, you reference that limit with either a Table Lookup or your own user code. Select Table Lookup or User Code field.

Note. Remember, you can apply 401(a)(17) limits on the Cash Balance 1 of 3 page. Do not use Subject to Maximum for this purpose.

Specifying the Rates to Use

Access Cash Balance 3 of 3 page.

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Cash Balance Accounts - Cash Balance 3 of 3 page

Full Period Rules

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

Flat Percentage — Enter a fixed percentage.

User Table — Enter the table lookup alias. With this option, you can look up the credit percentage using a regular table lookup. In this case, the percentage is based on criteria you set up using the table lookup utility, and you use a single rate for all periods.

Pgm Gen Lookup (program generated table lookup) — Select this option to vary the percentage according to age, service amount, or both age and service amount. "Program generated" means that the system looks up the rate for each period because the lookup basis (for example, the employee's service) changes each period. This is different from a regular table lookup, where the lookup is the same for all periods.

Custom Statement — Enter the custom statement or statements that provide the percentage.

Up To Threshold — If you use a step rate, you need to enter two conversion rates. Enter the first here. If you're using a level rate, you only enter a single rate here.

Above Threshold — Enter the second conversion rate here.

These fields are not available for level rates.

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Up to Pgm Generated (up to program-generated) and **Above Pgm Generated** (above program-generated)

There are two identical sets of parameters for configuring the age and service lookup bases. Up to Pgm Generated applies to level rates and step rates below the threshold. Above Pgm Generated applies to step rates above the threshold.

Select one of the following to indicate what the program-generated lookup is based on:

- Age: Age only.
- Svc: Service only.
- Age + Svc: Age and service added together to yield a single lookup value.
- Age & Svc: A two-way lookup.

Age Start

If your lookup includes an age component, enter an alias for the date of birth (or any other starting date).

Age Mthd (age method)

Enter a duration option specifying the age calculation method.

Service Name

If your lookup includes a service component, enter a service function result.

Age End Date

For the age components, select either 1st Day Pd (first day of the period) or the Lst Day Pd (last day of the period).

Service As of

For the service component, select either the 1st Day Pd (first day of the period) or the Lst Day Pd (last day of the period).

Partial Period Rules

Partial period rules can occur when employees move in and out of plan eligibility or when they switch to another cash balance definition mid-period—for example, there is one definition before the event date and another with interest only after the event date. Select from Same As Full Period, No Credit, or User Code (your own custom code).

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CHAPTER 20

Defining Employee Accounts

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

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

Understanding Employee Accounts

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

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

- Withdraw contributions and forfeit the corresponding service—typically at termination.
- Repay the withdrawn contributions and "buy back" the service originally forfeited—typically after a rehire.
- Make contributions for times when they were not accruing service and thus "purchase" service credit for that time—typically when a person was employed but not eligible for the plan.

  Plans may also enable employees to purchase service for time spent on military leaves or other qualified leaves.

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

See Also

Chapter 8, "Setting Up Contributory Plans," page 45

Using Employee Accounts Function Results

You need to keep track of employee contributions and the interest they earn. The employee accounts function keeps track of pre-tax and post-tax contributions, interest (which is always pre-tax), and total balance. Employee accounts keeps periodic subtotals and running balances.

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There are three types of employee accounts:

- The function result for a plan's main *contribution account* is the final dollar amount of the account as of the event date.
- The function result for a *withdrawal subaccount* tracks amounts that employees withdraw and repay from the plan contributory account.

  All transactions roll up to the main contribution account and the associated service accrual.
- The function result for a *purchase subaccount* tracks amounts that employees pay into the main contribution account to buy service for specific time periods.

Note. Do not use purchase accounts to track repayment of withdrawn amounts.

Because employees already own the amounts in their contributory accounts, there are special considerations for incorporating the amount into a final pension calculation. Also, a plan must always pay back all of an employee's contributions and interest, so it's important to record final account balances and track pension payments against those final balances.

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

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," Adding Function Results to a Plan Implementation, page 364

Using the Main Contributory Account in the Calculation

When employers use employee contributions to offset employer contributions to the plan, part of the employee's eventual benefit is attributed to the contributions. The employee paid benefit function calculates the employee-paid portion of a benefit by projecting the final employee account balance to the normal retirement date and then converting it to an actuarially equivalent annuity.

The employee-paid portion of a benefit is not subject to vesting rules or 415 limits. You therefore use the employee-paid benefit result to separate the employee-paid and employer-paid portions of the total benefit before you apply vesting and 415.

See Also

Chapter 26, "Defining Employee-Paid Benefits," page 209

Using the Main Contributory Account When Paying Retirees

When employee contributions are post-tax, the portion of the final benefit attributable to the contributions is not considered taxable income to the employee. Because the employee accounts function tracks post-tax and pre-tax contributions separately, you can use the post-tax balance information in determining the pre-tax and post-tax breakdown of a pension check.

For example, if Erika's post-tax contributions total 21,000 USD and you calculate that she should recover that amount over 210 payments, then 100 USD per month of Erika's pension is treated as nontaxable income. If her total pension is 1,500 USD per month 1,400 USD is taxable.

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The system ensures that you don't pay out more than 21,000 USD of nontaxable income by copying the final account post-tax balance to a payment summary record. The system identifies the correct account balance based on the employee account function result you enter in the Plan Aliases page.

The summary record also keeps a running total of nontaxable benefits paid. Each time the system processes a payment, it updates the running total and checks that it doesn't exceed the final post-tax balance. If the scheduled nontaxable amount would bring Erika over the limit, the payment process automatically reduces the amount as necessary.

The total account value, pre-tax and post-tax, is also copied to the summary record. Because this is all Erika's own money, if she dies before recovering the entire amount, the plan owes the remainder to her heirs. When Erika dies, you can compare the total account value to her lifetime benefit payments to see whether a death benefit is owed.

See Also

Chapter 53, "Preparing Pension Payments," Scheduling Payments, page 546

Chapter 54, "Making Pension Payments," page 555

Using Withdrawal and Purchase Subaccounts

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

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

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

See Also

Chapter 56, "Administering Contributory Plans," page 605

Maintaining Employee Accounts

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

- For employee inquiry. You can look up information without having to run a calculation first.
- For calculations. When you run a calculation, the system copies all the periods in periodic processing, then uses the ones prior to the event date when calculating the final event date balance.

Important! If you use periodic processing to update the employee account beyond the event date, the calculation may have unexpected results. Control your periodic processing population to avoid processing employees after termination.

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See Also

Chapter 45, “Running Periodic Processes,” page 389

Chapter 48, “Viewing Employee Data,” Viewing Plan-Related Information, page 464

Chapter 56, “Administering Contributory Plans,” page 605

Establishing an Interest-Only Definition

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

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

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

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

Defining Employee Accounts

To set up an employee account, use the Employee Accounts (EMPLOYEE_ACCOUNTS) component.

This section provides an overview of the Employee Accounts page, lists the page used to set up an employee account, and discusses how to set up an employee account.

Understanding the Employee Accounts Page

Use the Employee Accounts page to define an employee account.

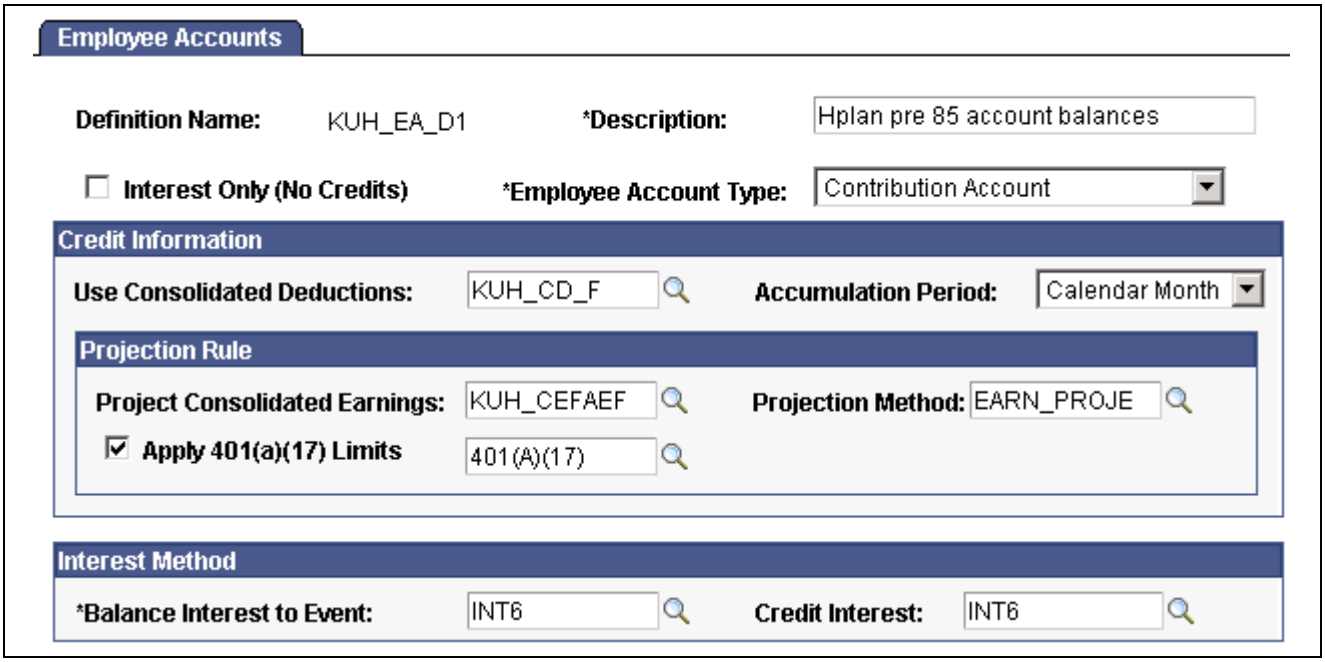
Page Used to Set Up an Employee Account

Page Name	Object Name	Navigation	Usage
Employee Accounts	PA_CONTRIB_ACCT_C1	Set Up HRMS, Product Related, Pension, Components, Employee Accounts	Set up employee accounts parameters.

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Setting Up an Employee Account

Access the Employee Accounts page.



Employee Accounts page

Interest Only (No Credits) Select this option to create a definition that tracks interest only.

Employee Account Type Select an account type.

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

Withdrawal Account: These track amounts that employees withdraw and repay from the plan contributory account and track the effect of these transactions on service. When you create the function result for the withdrawal account, you associate it with a regular contributory account and with a service function result. If you need to track more that one repayment at a time, set up multiple withdrawal accounts.

Service Purchase: The function result for this subaccount tracks amounts that employees pay into the main contribution account in order to buy service for specific time periods. Don't use purchase accounts to track repayment of withdrawn amounts.

Credit Information

Use Consolidated Deductions If you did not select Interest Only (No Credits), enter the name of the consolidated contributions function result that accumulates payroll deduction information.

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Note. If an employee changes employee accounts definitions in the middle of an accumulation period, the system normally uses the last definition in effect during the period for the entire period. If, however, an employee changes from a definition that uses consolidated deductions to a definition that uses interest only, the system uses the interest-only definition, but also picks up contributions made while the employee was covered under the previous definition.

Accumulation Period Accounts grow over defined accumulation periods with interest credited at the end of the accumulation period. When you look at the results of your Employee Accounts calculations, you see the total for each period as well as the balance at the end of each period.

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

Note. When you administer withdrawals of contributions, the system looks up the present value of the contributions based on the most recent *complete* accumulation period created by periodic processing. For this reason, you probably want to use monthly accumulation periods rather than annual accumulation periods if you administer withdrawals.

Projection Rule

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

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

Interest Method

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

See Also

Chapter 39, “Projecting Hours and Earnings,” page 341

Chapter 38, “Applying Section 401(a)(17) Earnings Limits,” page 329

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CHAPTER 21

Defining Social Security

This chapter provides an overview of social security calculations and discusses how to:

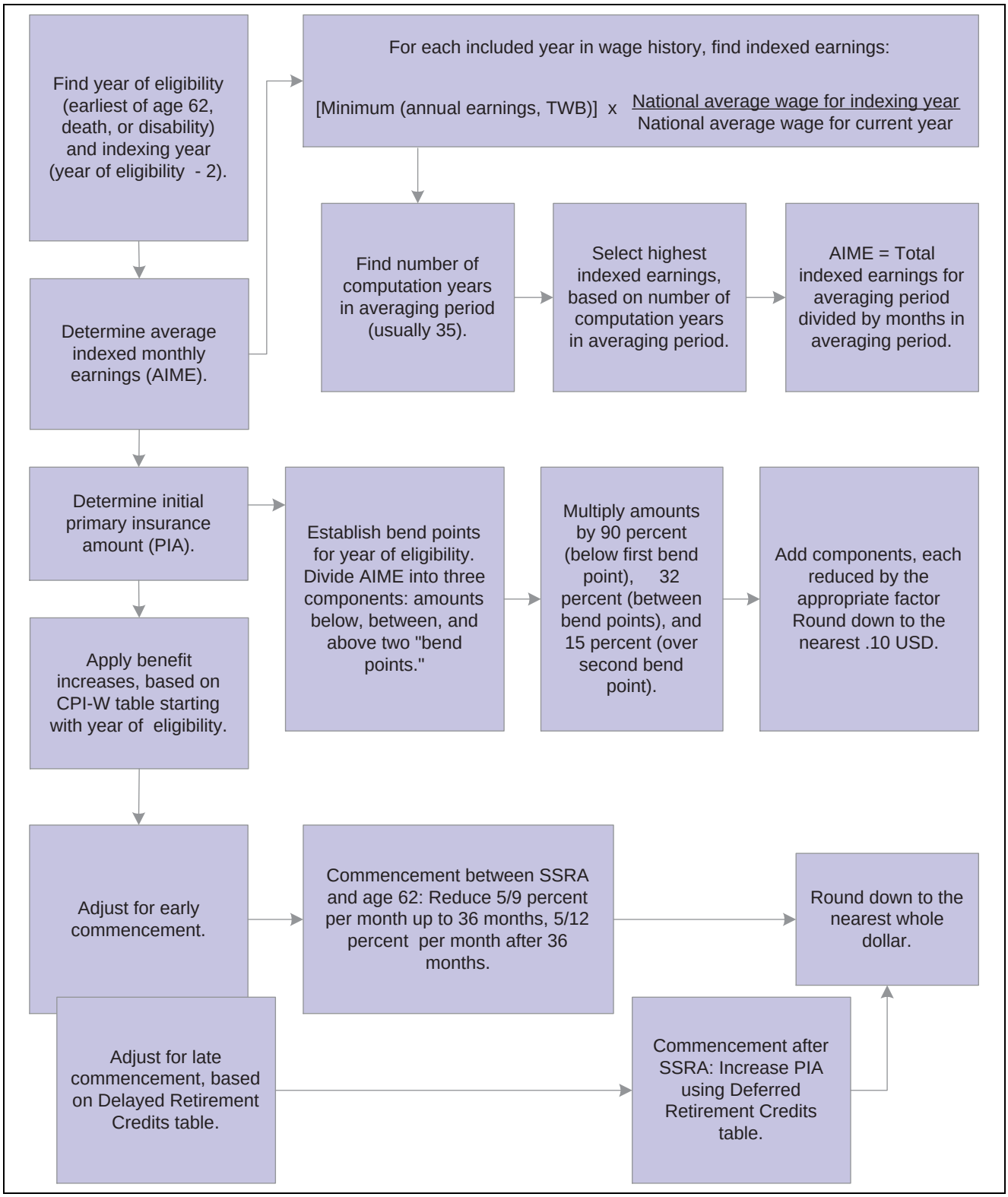
- Use social security results.
- Set up a social security definition.

Understanding Social Security Calculations

The following diagram shows how the social security calculation works. Notice that the calculation requires information from several tables published by the Internal Revenue Service: the national average wage (NAW), general benefit increases, and deferred retirement credits. Pension Administration stores this information in tables we deliver.

Social security calculations don't project the National Average Wage table beyond the year of eligibility. For an old age calculation, this is the year the employee attains age 62. If earnings years beyond age 62 are included in a projection, the system uses the value from the year the employee turned 62.

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Social security calculations

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Using Social Security Results

The social security function provides a dollar amount representing an employee's estimated monthly social security benefit.

If a plan incorporates social security, you can reference a social security result from within the benefit formula.

Note. Because the social security result is a monthly value, when you include social security in a benefit formula, either express the benefit as a monthly amount or multiply social security by twelve to make it into an annual amount. If you use annual amounts, you can set up a custom statement, ANNUAL_SS, representing social security times 12, and use that custom statement in the benefit formula instead of the actual social security function result.

Setting Up a Social Security Definition

To set up a social security definition, use the Social Security (SOCIAL_SECURITY) component.

This section provides an overview of the pages used to set up a social security definition, lists the pages used to set up a social security definition, and discusses how to:

- Establish basic PIA calculation information.
- Set up assumptions for calculating social security estimates.

Understanding the Pages Used to Set Up a Social Security Definition

Although social security calculations mostly use fixed rules, there are choices for you to make when estimating the primary insurance amount (PIA). These include assumptions about past and future earnings and about when social security benefits will begin. You set up these assumptions on the Soc Sec Earning Basis and Soc Sec Assumptions pages.

Pages Used to Set Up a Social Security Definition

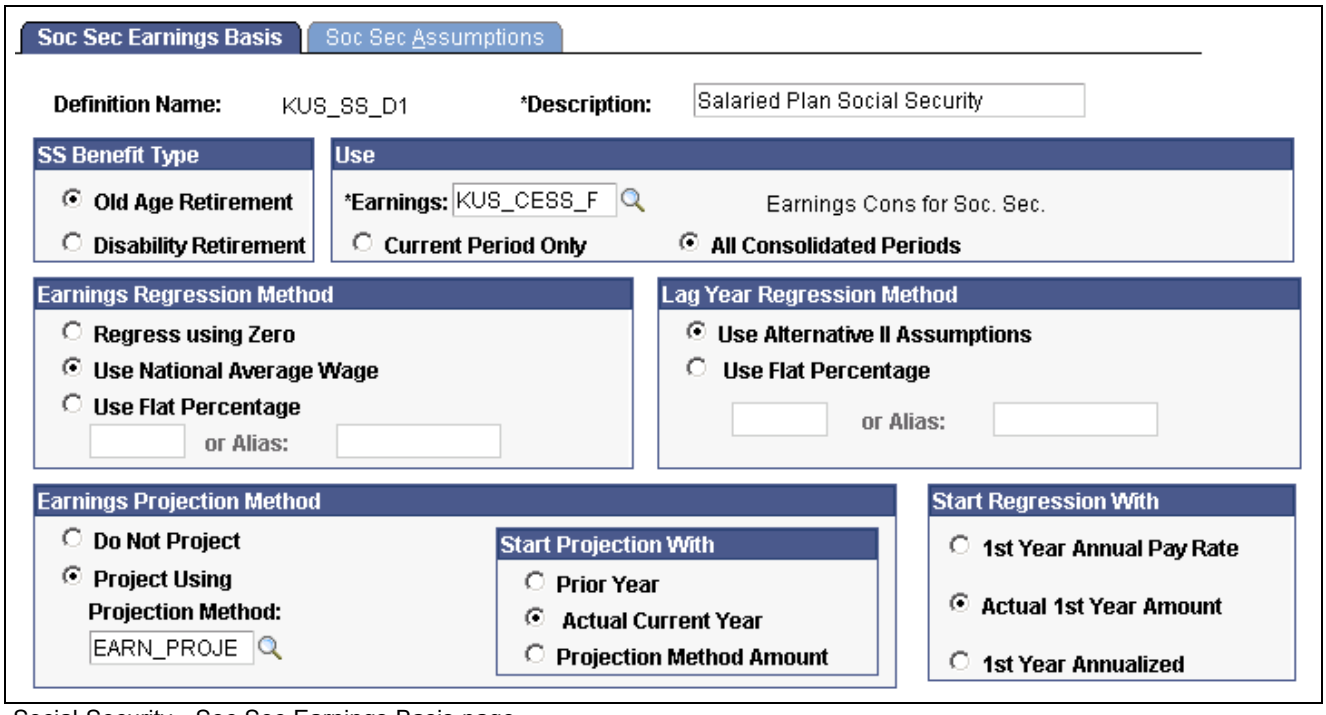
Page Name	Object Name	Navigation	Usage
Soc Sec Earnings Basis (social security earning basis)	PA_SOC_SEC_PIA1	Set Up HRMS, Product Related, Pension, Components, Social Security, Soc Sec Earnings Basis	Establishes basic information needed for PIA calculations.
Soc Sec Assumptions (social security assumptions)	PA_SOC_SEC_PIA2	Set Up HRMS, Product Related, Pension, Components, Social Security, Soc Sec Assumptions	Sets the taxable wage base, the early and deferred retirement adjustment amounts, and all the other tables used in social security calculations.

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Establishing Basic PIA Calculation Information

The information you establish includes whether to use an old age benefit or disability benefit calculation method, the earnings history used in the calculation, and the method for estimating employees' previous and future earnings.

Access the Soc Sec Earnings Basis page.



Social Security - Soc Sec Earnings Basis page

Note. If an employee brings you his or her earnings history—either a document from the Social Security Administration or the pay stubs from previous employers—you are obligated to use actual earnings history rather than the assumed earnings. In that case, you enter the annual earnings data in the Employee Soc Sec Earnings page. When an employee has data on that page, the social security function uses that data. In that case, the system ignores all the earnings-related fields on this page and does not project or regress the earnings information.

SS Benefit Type

Old Age Retirement and **Disability Retirement**

Indicate the type of benefit that you use to calculate PIA.

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

See Chapter 40, "Grouping Employees," page 345.

Use

Social security PIA is based on employee earnings histories. The Pension Administration earnings consolidation process can provide earnings history for as long as an employee is with your company, or the final average earnings (FAE) function can provide a single annual earnings amount. Previous and future earnings have to be estimated by your chosen projection and regression methods. You don't have to create special consolidated earnings to apply the maximum taxable wage base limits because the social security calculation applies this limit.

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

Note. If you use consolidated earnings, be sure you use an annual consolidation method based on a calendar year.

Current Period Only and **All Consolidated Periods** If you use consolidated earnings, indicate which data to use. If you use the current period only, data for all other periods is estimated using the projection and regression methods you set up on this page. If you use all consolidated periods, you project only periods after the last known earnings and regress only periods before the first known earnings. In this case, gaps in your earnings data are treated as zero earnings periods.

For an FAE function result, Current Period Only and All Consolidated Period aren't applicable.

Earnings Regression Method

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

Use National Average Wage Employee's salaries are assumed to have grown at the same rate as the NAW and are regressed accordingly. Pension Administration includes a table with annual NAW amounts.

The U.S. Department of Labor's current NAW table doesn't include final statistics for the current and previous year, the so-called "lag" years. If you regress using the NAW, you need to specify how to treat those years with one of the Lag Year Regression Method choices.

Use Flat Percentage Select this option to regress by a fixed percentage per year, and enter that percentage in the text box below. Use either a constant percentage or an alias. For example, to assume 5 percent less money per year, enter 95 as the regression percentage. Regressing at 100 percent uses the same earnings for all previous years.

Lag Year Regression Method

Use Alternative II Assumptions Select this option to use the government estimates in the NAW table.

Use Flat Percentage Select this option to project values for those years based on the last non-estimate value in the NAW table. Enter the projection percentage in the adjoining field. To use the last available actual NAW value for the lag years, set up a flat percentage of zero.

See Chapter 59, "Maintaining Public Tables," Maintaining Social Security Tables, page 637.

Start Regression With

All the regression methods require one year's worth of earnings with which to begin the regression. Indicate where the system can find these earnings in the Start Regression With group box. All the options in this group box use the earliest, or first, year available. If you use all consolidated periods, this is the earliest year for which you have consolidated earnings. If you use the current period earnings only, then the current period is the first year available.

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

Actual 1st Year Amount Select this option to use the unadjusted consolidated earnings from the first period. Because the first year is either the hire year or the current year, it is most likely a partial period. Therefore, the earnings may be falsely low. This does not happen if the consolidation rule annualizes the hire period earnings.

1st Year Annualized Select this option to use an adjusted first year amount. If you use all consolidation periods, then the first year is the hire year. In this case, the system annualizes the amount by looking at the partial period fraction. For example, if the hire period has 15,000 USD in earnings and a partial period fraction of .25, the annualized earnings are 60,000 USD.

If you use the current period only, then the first year is the current period. If you select a projection method for estimating future earnings, the amount is annualized by that projection method. If you don't select a projection method, the amount is annualized by accounting for the partial period fraction.

Earnings Projection Method

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

Project Using Projection Method Select the projection method to incorporate the wage escalation rate the pension administrator enters in the calculation page.

See Chapter 39, "Projecting Hours and Earnings," page 341.

Start Projection With

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

Because the current year is, by definition, still in progress and therefore incomplete, the most recent complete year is the prior year.

Actual Current Year Select this to use the earnings-to-date in the current year. In this case, you assume that the earnings to date represent total earnings for the year. The system handles this by overriding the partial period fraction for the current year.

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

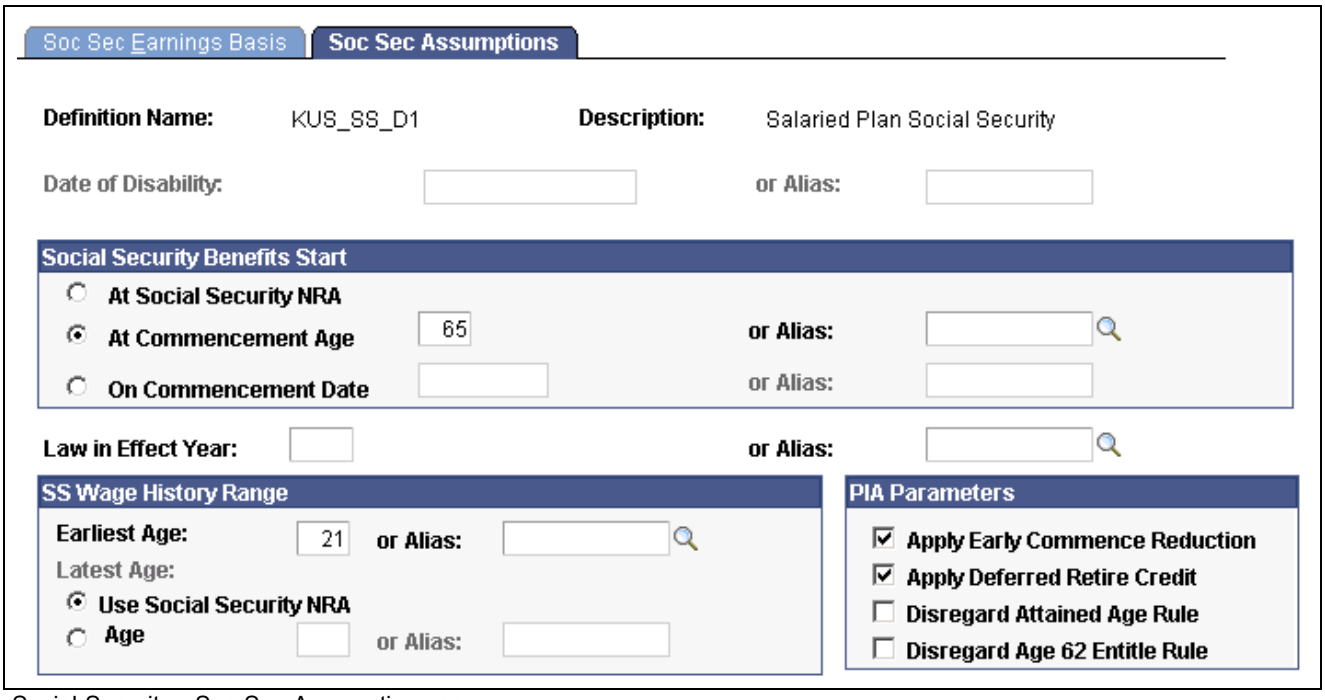
If you choose to use the consolidated earnings for the current period only (in the Use group box), there is no prior year data. In this case, selecting Prior Year gives you the same result as Projection Method Amount—that is, the annualized current year earnings.

Setting Up Assumptions for Calculating Social Security Estimates

To calculate a social security estimate for an employee with a future social security retirement age (SSRA), you have to make some assumptions about these amounts and rules.

Access the Soc Sec Assumptions page.

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Social Security - Soc Sec Assumptions page

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

If you don't enter a date, the system uses the event date. Using this convention means you don't have to create or populate the custom field. Instead, just use the disability date as the event date when you run a calculation.

The disability date is used in conjunction with the Law in Effect Year to determine the social security bend points and general benefit increases.

Social Security Benefits Start

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

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

At Commencement Age or **On Commencement Date** Use these options for any other assumed commencement. Both fields accept a constant or an alias.

Year of Birth	Social Security NRA
1937 and before	65 years
1938	65 years, 2 months

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Year of Birth	Social Security NRA
1939	65 years, 4 months
1940	65 years, 6 months
1941	65 years, 8 months
1942	65 years, 10 months
1943 - 54	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 and later	67 years

Employees born on the first day of the year use the social security normal retirement age for the prior year.

Law in Effect Year

Social security calculations depend on many government tables which are updated yearly. If you perform historical calculations, you need to use the table values that were available at the time. Use the Law in Effect Year field to establish this information.

Typically the termination date determines the law to use, so if you leave this field blank, the system automatically uses the event year as found in the Calculation page. In cases of grandfathered benefits where you need to determine social security as of a particular date, you would enter that date. If you use an alias for this field, make sure it provides a year only.

Bend points are based on the *earliest* of three values: a) the law in effect year, b) the earliest retirement year, that is, the year when the employee reaches age 62, and, for disability calculations, c) the year of disability.

Because national average wage (NAW) information only becomes available two years after the year in question, the system does not look at NAW values for the two years prior to the law in effect year, unless you use Alternative II assumptions and those last two values are marked as assumption amounts.

The taxable wage base (TWB) also stops using entries at the law in effect year.

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Finally, general benefit increases using the Consumer Price Index (CPI) table are applied from the first year of eligibility, age 62, until the earliest of the law in effect year, the year of disability, or the benefit commencement date. The CPI used is the CPI-W, as required by law.

SS Wage History Range

Indicate the earliest and latest age for employees' wage histories. These are the endpoints for the earnings regression and projection from the previous page.

Earliest Age The field accepts either a constant age or an alias. The system does not use earnings from before 1951 even if an employee reached the earliest age before 1951.

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

Note. The social security function does not project earnings beyond the social security retirement age. if you indicate a later age, you assume zero earnings for all subsequent years.

PIA Parameters

The PIA Parameters group box contains options for adjusting social security PIA for early or late retirement.

Apply Early Commence Reduction Estimated PIA will be reduced to adjust for retirement before social security normal retirement age. The early retirement reduction is 5/9 of 1 percent for each month early up to 36 months and 5/12 of 1 percent per month thereafter, up to a maximum of 24 months.

Apply Deferred Retire Credit Estimated PIA will be increased to adjust for retirement after social security normal retirement age. The delayed retirement credit is based on the Delayed Retirement Credits table.

Disregard Attained Age Rule Under the Attained Age Rule, employees are eligible for social security the day *after* they reach social security retirement age. Select this option to ignore this rule and use the same day employees reach SSRA.

Disregard Age 62 Entitle Rule The earliest possible age an employee can begin collecting social security is 62. Normally an employee must be 62 for the entire month of initial eligibility. For example, an employee who turns 62 in March can start receiving benefits in April. For this option, the system treats the birthday month as the first month of social security eligibility.

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CHAPTER 22

Defining Covered Compensation

This chapter provides an overview of covered compensation and discusses how to:

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

Understanding Covered Compensation

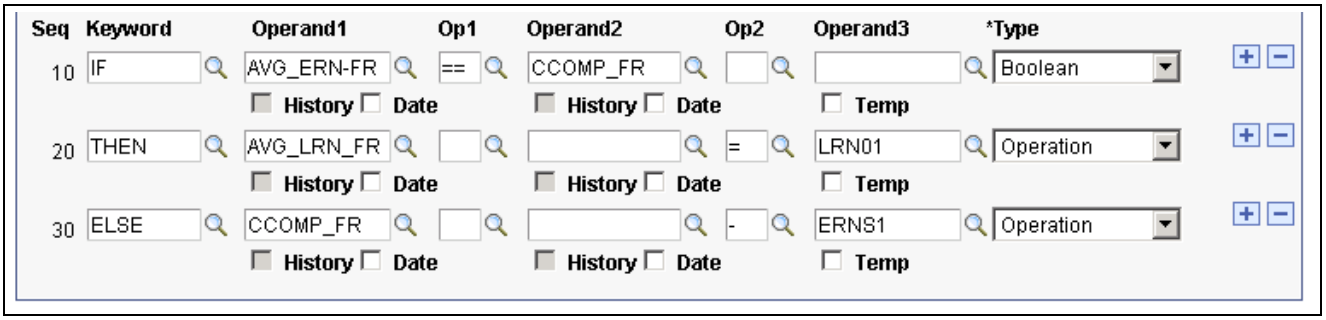
Covered compensation is defined as the average of the social security taxable wage bases over a period of 35 years up to and including the year in which an employee reaches social security retirement age (SSRA). Covered Compensation for workers with SSRAs in the future change every year when the new taxable wage base (TWB) is published.

The law prohibits discrimination by a plan in favor of highly compensated employees. Under permitted disparity rules, however, a plan may provide a greater benefit for those earnings for which an employee doesn't receive Social Security benefit.

You can use the covered compensation function to define rules that enable you to provide different levels of benefits for earnings above and below the maximum taxable wage base.

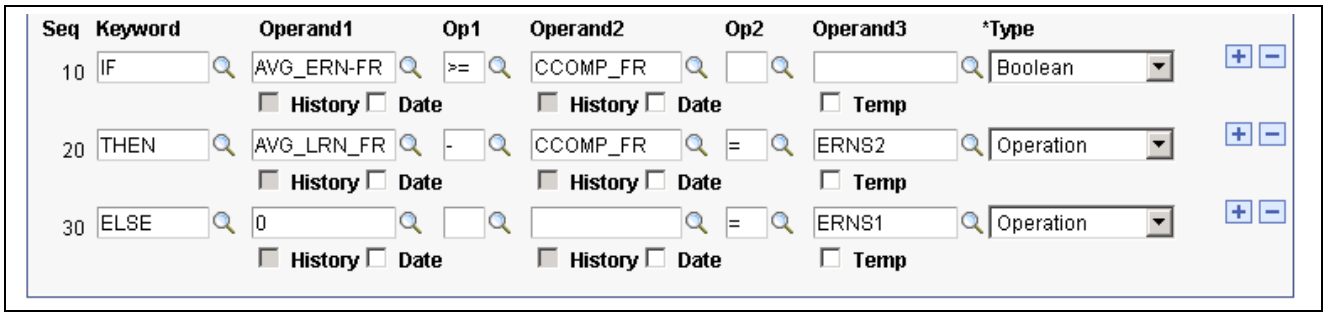
Using Covered Compensation Results

The covered compensation function produces a single dollar amount. You typically use this amount in the benefit formula or one of its components. For example, you can set up custom statements that find average earnings up to covered compensation and in excess of covered compensation. You can then reference these custom statements within the benefit formula.



Average earnings up to covered compensation

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Average earnings in excess of covered compensation

See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," page 297

Defining Covered Compensation Rules

To define compensation rules, use the Covered Compensation (COVERED_COMP) component.

This section provides an overview of the covered compensation rules definition, lists the page used to define covered compensation rules, and discusses how to set up covered compensation rules.

Understanding the Covered Compensation Rules Definition

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

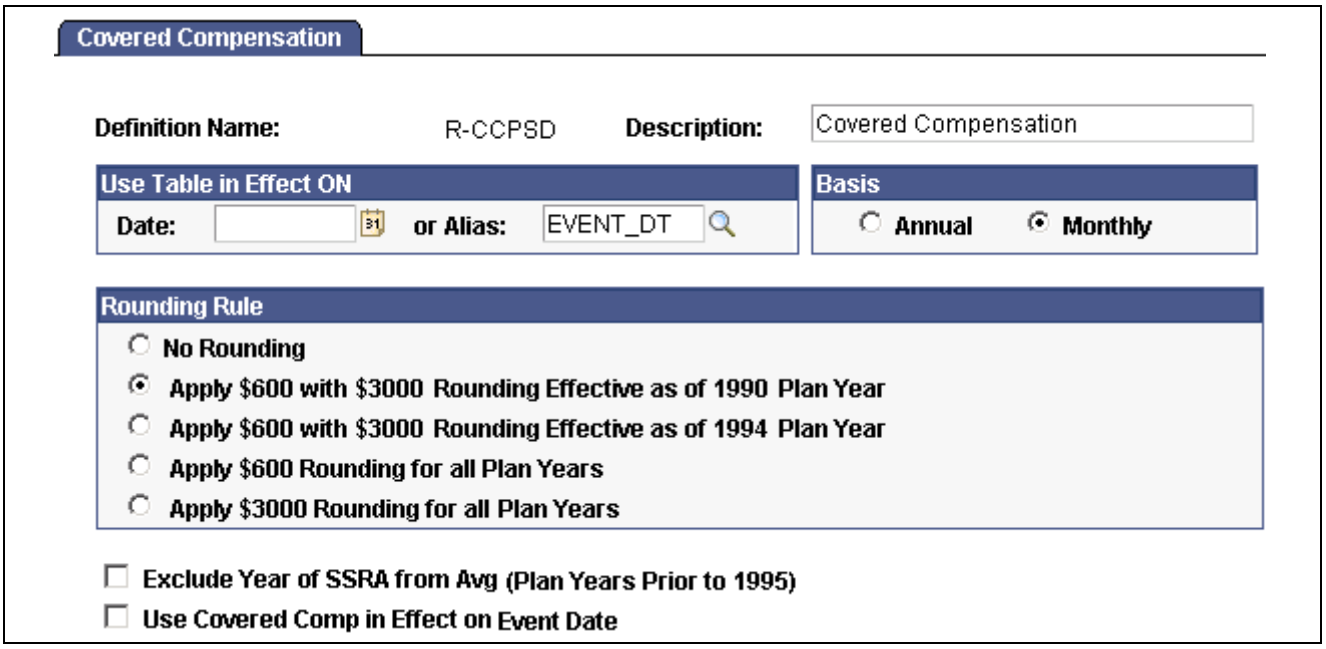
Page Used to Define Compensation Rules

Page Name	Object Name	Navigation	Usage
Covered Compensation	PA_COVERED_COMP	Set Up HRMS, Product Related, Pension, Components, Covered Compensation	Set up the covered compensation rules.

Setting Up the Covered Compensation Rules

Access the Covered Compensation page.

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Covered Compensation page

Use Table in Effect On

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

Basis

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

Rounding Rule

Depending on when and if your plan adopted the various IRS rounding options, select one of the following as your rounding rule:

- No Rounding.
- Apply $600 Rounding with $3,000 Rounding Effective as of 1990 Plan Year.
- Apply $600 Rounding with $3,000 Rounding Effective as of 1994 Plan Year.
- Apply $600 Rounding for all Plan Years.
- Apply $3,000 Rounding for all Plan Years.

When you use one of the $600 or $3,000 mixed options, the system uses 600 USD rounding for all years up to the threshold year and 3,000 USD rounding for the threshold year and beyond.

To change the rounding rule as of any other date, create multiple definitions and create separate effective-dated rows in the covered compensation function result.

If all 35 years in the covered compensation calculation are later than the last year in the Taxable Wage Base table, the unrounded value for the last year is used as the final covered compensation.

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Exclude Year of SSRA from Avg (Plan Years Prior to 1995) (exclude year of social security retirement age from average)

For plan years beginning before January 1, 1995, a plan may define covered compensation as the taxable wage base average over the 35 years up to but excluding the year in which the employee reaches social security retirement age. Select this option to use that definition for those years. This option only affects historical calculations.

Use Covered Comp in Effect on Event Date (use covered compensation in effect on event date)

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

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CHAPTER 23

Defining Early and Late Retirement Factors

This chapter provides an overview of early and late retirement factors and discusses how to:

- Use early and late results.
- Use QDRO with early and late adjustments.

Understanding Early and Late Retirement Factors

Early retirement often carries a reduced benefit. Similarly, late retirement benefits can be increased. Use the early and late retirement factors function to derive the factor that adjusts retirement benefits for early or late commencement. You choose any of several adjustment methods, including actuarial and arithmetic.

Using Early and Late Results

To make early and late retirement adjustments, use the Early/Late Adjustments (EARLY_LATE_ADJUSTM) component.

This section provides an overview of the early and late retirement factors function, lists the pages used for early and late retirements, and discusses how to:

- Define adjustments.
- Provide actuarial details.
- Specify periods and time frames.
- Specify the reduction for each period counted.

Understanding the Early and Late Retirement Factors Function

The early and late retirement factors function result returns a single adjustment factor to be applied to the final benefit. For example, to reduce a benefit by 40 percent, use a reduction factor of 60 percent, or .6. You incorporate the adjustment factor into your benefit formula.

You also use this function to set up actuarial increase and decrease factors to apply to 415 limits. You reference these function results from your 415 limits definition.

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Pages Used for Early and Late Retirements

Page Name	Object Name	Navigation	Usage
Define Adjustments	PA_AGE_ADJ_GENERAL	Set Up HRMS, Product Related, Pension, Components, Early/Late Adjustments, Define Adjustments	• Indicate the time span for which you are adjusting. • Establish subadjustments that together produce the final factor.
Actuarial Equivalence Method	PA_AGE_ADJ_EQUIV	Set Up HRMS, Product Related, Pension, Components, Early/Late Adjustments, Actuarial Equivalence Method	Provide actuarial details.
Arithmetic Method 1 of 2	PA_AGE_ADJ_ARITH1	Set Up HRMS, Product Related, Pension, Components, Early/Late Adjustments, Arithmetic Method 1 of 2	Specify the reduction rates.
Arithmetic Method 2 of 2	PA_AGE_ADJ_ARITH2	Set Up HRMS, Product Related, Pension, Components, Early/Late Adjustments, Arithmetic Method 2 of 2	Specify the reduction for each period counted.

Defining Adjustments

In the top area of the Define Adjustments page, you define the total range for the adjustment. Typically this is from the normal retirement date (NRD) to the benefit commencement date (BCD). If the BCD is before the NRD, the benefit is reduced. If the BCD is later than the NRD, the benefit is increased.

In the lower area of the page, you create one or more subadjustments and specify the adjustment method you use. These subadjustments apply to different segments within the total adjustment period. For actuarial and arithmetic methods, there are additional pages where you provide more information, including endpoints that define the segment within the total adjustment period.

It's extremely important that the subadjustment endpoints align exactly with the total adjustment period. This can be tricky with actuarial subadjustments because you use dates to define the total adjustment period and ages to define the subadjustment period. Just be extra careful as you define your aliases and pay attention to any rounding.

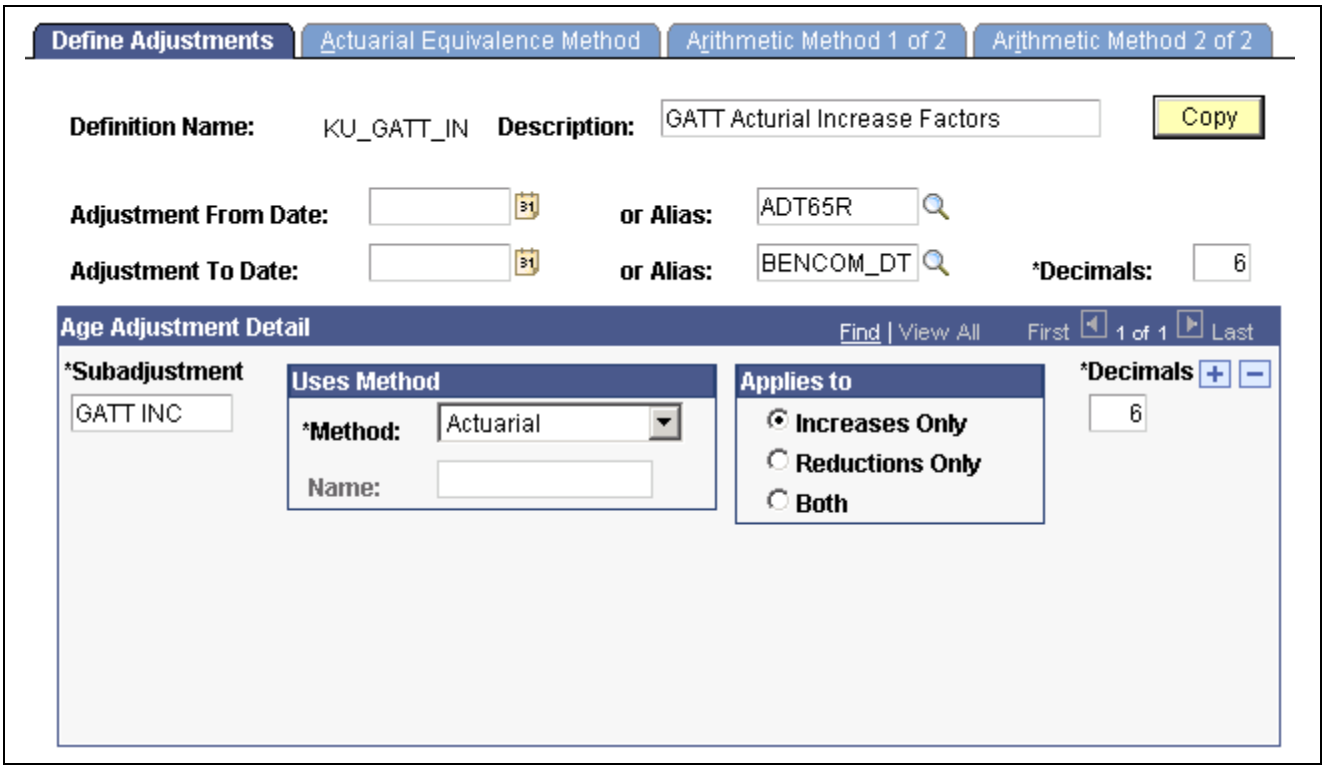
Options enable you to distinguish between subadjustment methods that apply only to reductions, methods that apply only to increases, and methods that apply to both. Depending on what types of subadjustments are present and whether the BCD (the to date) is earlier or later than the NRD (the from date), the system produces appropriate reduction and increase factors as shown in the following table:

Included Subadjustments	To Date is Earlier (Reduction Factor)	To Date is Later (Increase Factor)
Reductions only	Decimal between zero and one	One

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Included Subadjustments	To Date is Earlier (Reduction Factor)	To Date is Later (Increase Factor)
Increases only	One	Decimal greater than one
Both: either multiple subadjustments or a single subadjustment that applies to both reductions and increases	Decimal between zero and one	Decimal greater than one

Access the Define Adjustments page.



Early/Late Adjustments - Define Adjustments page

Adjustment From Date and **Adjustment To Date**

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

In most cases, you set the from date to normal retirement date (NRD) and the to date to benefit commencement date (BCD) or possibly the lump sum date. If you reference a plan's normal retirement date or early retirement date, be sure to use the same aliases you established.

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Note. Although the system lets you enter either constants or aliases, you should always use aliases. Do not set up the total adjustment based on fixed ages—say, a reduction from age 65 to age 62—because the resulting factor would simply measure that time and would thus always come up with the maximum adjustment value, regardless of the employee's actual benefit commencement date.

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

Age Adjustment Detail

An early or late adjustment consists of at least one subadjustment. For arithmetic methods, one subadjustment is usually sufficient. You can use the arithmetic schedule to set up different reductions over different periods within an arithmetic subadjustment (although you could also set this up with multiple subadjustments).

You may need multiple subadjustments if you use different reduction methods over different periods. For example, you could reduce a benefit by .5 percent per month between age 65 and 60, and actuarially for periods earlier than age 60. Each range makes up a single subadjustment.

The system matches the subadjustment periods to the overall adjustment period and adjusts only for the appropriate period of time. So you can set up a reduction from age 60 to 55; and if the employee commences benefits at age 58, the system only calculates a two-year reduction, not a five-year reduction.

Subadjustment Create individual subadjustments in the scrolling region.

Uses Method

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

If you set up multiple arithmetic subadjustments, the final factor is the sum of all subadjustments. So two arithmetic subadjustments, each with a 10 percent reduction, would yield a final adjustment factor of .8, or 80 percent. (that is, a total reduction of 20 percent). For all other combinations of subadjustments, the final factor is the product of the subadjustments. So two 10 percent actuarial subadjustments would yield a final adjustment factor of .81, or 81 percent (that is, 90 percent of 90 percent, or .9 times .9).

If you select *Actuarial,* you use the next page in the component to set up your rules. If you select *Arithmetic,* you use the following two pages in the component to set up your rules. If you select *Custom* or *Table*, enter the alias for the specific statement or lookup in the Name field. Select *User Code* to use customized code.

The actuarial and arithmetic rules provide additional parameters for defining the subadjustment range. This enables you to create different rules for different time segments within the total adjustment. Because the other methods do not offer parameters for defining the time segments, you should not have more than one reduction method and one increase method when you use custom statements or table lookups.

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Applies to

Increases Only, Reductions Only, or **Both** — If the definition includes one or more reduction subadjustments but no increase subadjustment, then there is no adjustment when the Adjustment To Date (normally the benefit commencement date) is later than the Adjustment From Date (normally the normal retirement date).

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

See Also

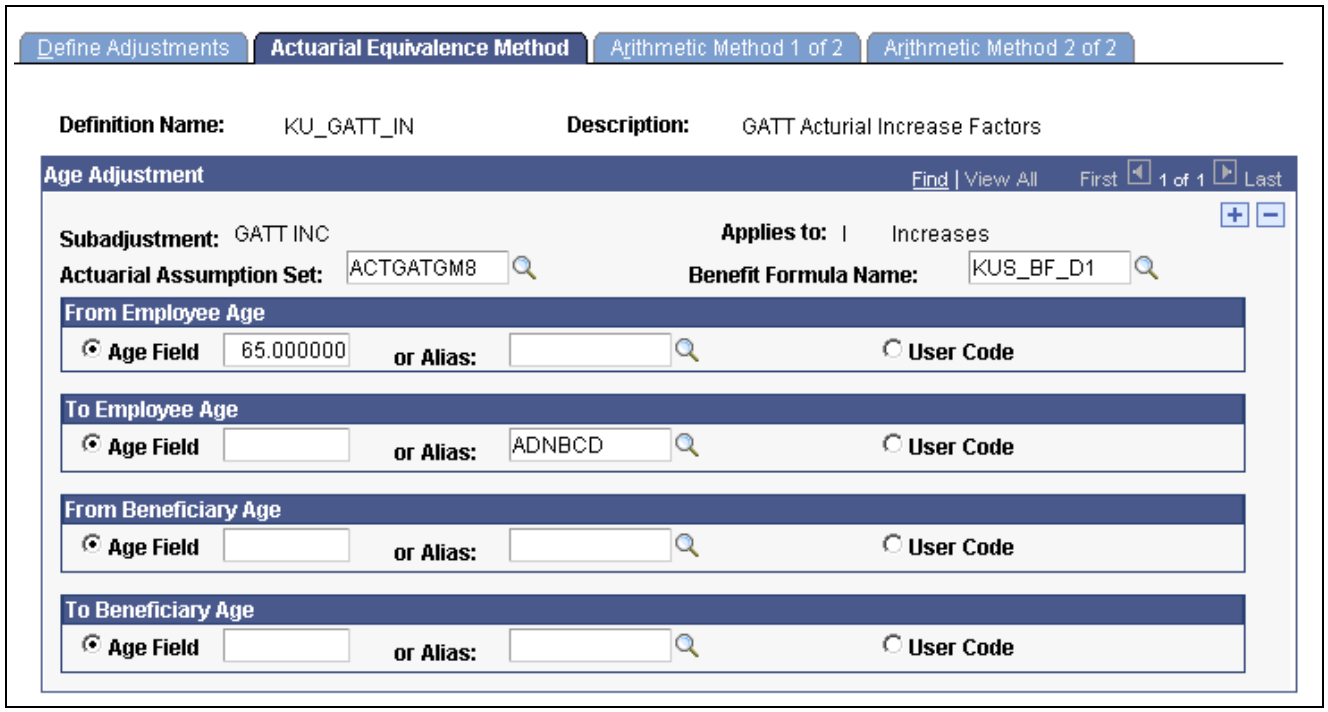
Chapter 30, "Creating Table Lookup Aliases," page 257

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," page 297

Providing Actuarial Details

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

Access the Actuarial Equivalence page.



Early/Late Adjustments - Actuarial Equivalence Method page

Age Adjustment

Actuarial Assumption Set — An actuarial equivalence method uses actuarial assumptions to adjust the benefit to compensate for the increased or decreased number of benefit payments you make due to early or late commencement.

Benefit Formula Name — Because the actuarial adjustment depends on the form of payment, you also enter the benefit formula name. This is the definition, not the function result, for the benefit that is to be adjusted; therefore, you do not need to process the

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	benefit formula function result before early and late adjustments in order to get this value. The definition specifies the normal form of the benefit.
From Employee Age and **To Employee Age**	Specify the age range to which the assumption set will be applied.
Age Field	For both from and to ages, you can specify an age (constant) or an alias, or you can use your own user code.
From Beneficiary Age and **To Beneficiary Age**	If the normal form of the benefit includes a survivor benefit, actuarial adjustments account for the beneficiary ages over the same reduction period. In this case, fill out the From Beneficiary Age and To Beneficiary Age fields. Otherwise, you can leave these fields blank.

Be sure to align these ages exactly with the dates that define the total adjustment period. For example, if you have a single adjustment from normal retirement date to benefit commencement date, set up the ages to be the age at normal retirement date and the age at benefit commencement date.

You usually have just one actuarial subadjustment. If you use different actuarial assumptions over different time segments, you need more than one. If you do have multiple subadjustments, be sure they do not overlap and that they still align with the total adjustment period.

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

See Also

Chapter 36, "Using Actuarial Assumptions," page 315

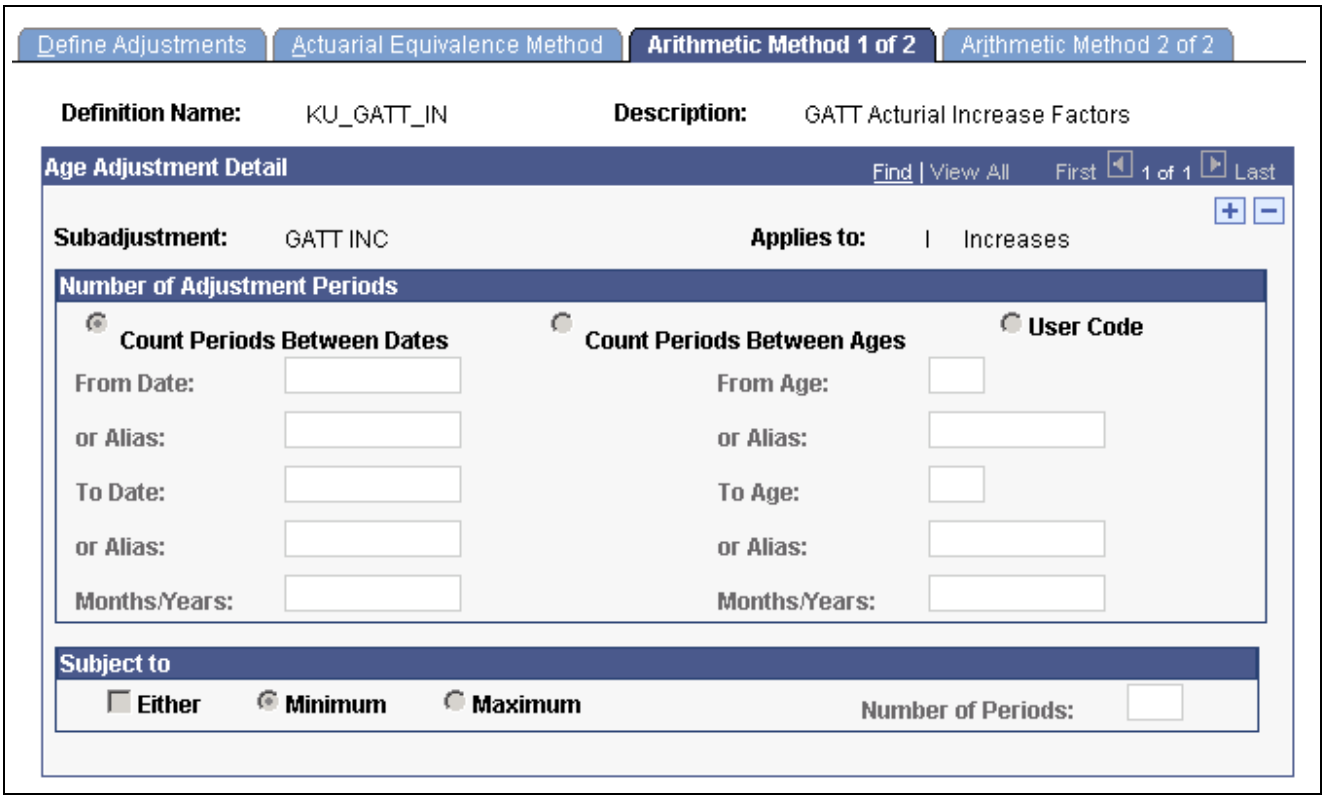
Specifying Periods and Time Frames

If any subadjustments use an arithmetic method, use this to further define the method.

An arithmetic method involves counting the time between the dates and applying a specific factor (either a percentage or a fraction) for each period. For example, a reduction could be 5 percent for each year, or it could be 5 percent per year for five years and 2 percent per year thereafter. You could set up this second example with a single two-part subadjustment or with two separate subadjustments.

Access the Arithmetic Method 1 of 2 page.

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Early/Late Adjustments - Arithmetic Method 1 of 2 page

Number of Adjustment Periods

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

From Date and **To Date, From Age** and **To Age** — If you select either a date or age range, enter the beginning and ending points in these fields.

or Alias — Enter either a constant or alias in any of these fields: From Date, To Date, From Age, To Age.

Months/Years — Select either *Count Month Periods* or *Count Year Periods* to indicate how to measure the time between the dates or ages.

Subject to

Either — Select this to then select the minimum or maximum number of periods to count.

Number of Periods — Enter the number of periods to count.

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

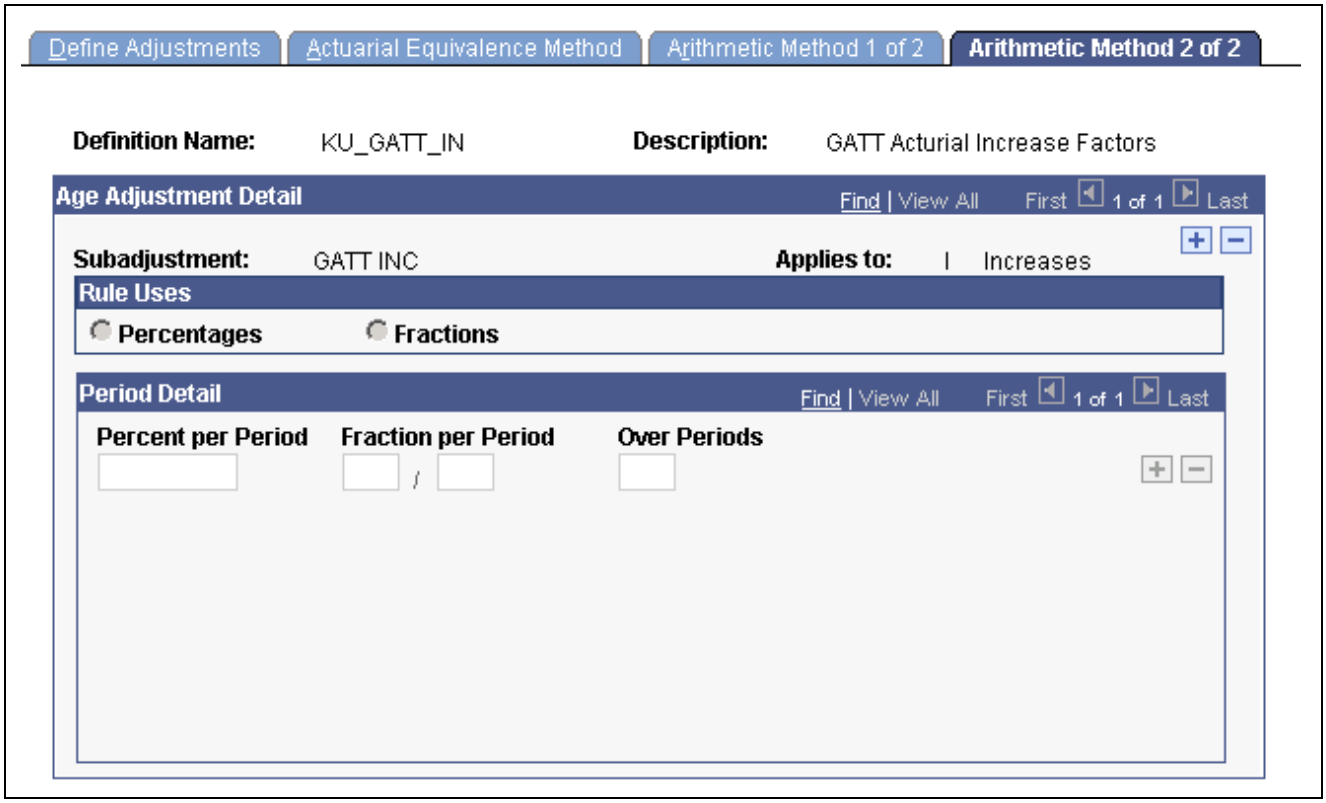
If you use ages, make sure the time periods align. Although there are fields for constant ages (say, age 65 to age 55), you almost always need to use aliases instead in order to round the dates appropriately so that they align exactly with the total adjustment range. Using aliases that round differently or using whole ages when the plan normally adjusts the date may cause the adjustments to be inaccurate.

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Specifying the Reduction for Each Period Counted

Once you determine the period of time to count, specify the reduction for each period counted.

Access the Arithmetic Method 2 of 2 page.



Early/Late Adjustments - Arithmetic Method 2 of 2 page

Rule Uses

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

Period Detail

Percent per Period or **Fraction per Period** Enter a percentage, or a numerator and denominator. For example, you can enter a reduction of 5/12 of 1 percent as either .4167 percent or as the fraction 1/240.

Over Periods For each factor you enter, indicate how many periods use that factor. The first row in the sequence applies to the first group of periods, the second to subsequent periods, and so on.

The total number of periods across all rows is the number of periods in the subadjustment time segment (up to any maximum you specified on the previous page).

Adjustments are applied in the order they appear on the page. So if you adjust by 5 percent per year for the first two years and 2 percent per year for the next three years, the 5 percent row must be before the 2 percent year. The order shown on the page is the order the function will use.

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Using QDRO with Early and Late Adjustments

If your company intends to calculate QDRO benefits using Pension Administration, you need to be sure your plan rules support these calculations. Although the system doesn't calculate the initial benefit (a court specifies the amount), QDRO benefits are subject to early commencement reductions. Therefore, you need to keep QDRO processing in mind as you set up your adjustment rules.

Using Aliases in QDRO Calculations

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

Note. Because the calculation is based on the QDRO payee's ID, all aliases referencing employee data are resolved based on the QDRO alternate payee's data, not the original employee's data. It is extremely important to keep this in mind as you set up your plan rules.

For example, the alias BIRTH_DT would produce the alternate payee's date of birth, not the original employee's date of birth.

The alias SBIRTH_DT, which normally references an employee's spouse's birth date, is usually not valid for QDRO calculations, which do not incorporate any reference to a new spouse. If you want to reference the original employee's birth date in a QDRO calculation, use the special alias QDRO_EE_BD (QDRO employee birth date).

This is an especially useful alias for determining early and late adjustments. For example, Paul and Mary got divorced and Mary has a QDRO giving her part of Paul's pension benefit. The plan's usual early adjustment factor is a 6 percent per year reduction for each year between ages 65 and 60. When Mary elects to begin benefits, Paul is 62 and Mary is 58. Her benefit should be reduced by 18 percent because the reduction is based on Paul's age when she starts receiving payments. Therefore, the Early/Late Adjustments definition used in Mary's calculation needs to reference Paul's age. In order to get to this information, use QDRO_EE_BD.

See Also

Chapter 29, "Using Database Aliases," Using QDRO Aliases, page 255

Creating QDRO-Specific Definitions

You may need to use different definitions for the original employee and the alternate payee. The difference is based not on different plan rules, but on the fact that for the employee's benefit, the original employee's own age is used, whereas for the alternate payee's benefit, the alternate payee's age is generally not used.

You handle this requirement through the system's grouping capabilities. Your function result might look like this:

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Group Criteria	Definition
Regular employees	6 percent per year from employee's age (BIRTH_DT) 65 to 60
QDRO alternate payees	6 percent per year from original employee's age (QDRO_EE_BD) 65 to 60

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CHAPTER 24

Defining Death Coverage Reductions

This chapter provides overviews of death coverage reductions and death coverage history and discusses how to:

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

Understanding Death Coverage Reductions

All qualified plans must offer employees a death benefit in case of preretirement death. The amount of the benefit depends on when the participant dies. Plans can also pass the cost of this coverage to the employee through a reduced benefit upon benefit commencement. The death coverage reduction factor is typically based on the amount of time the coverage was in effect.

Employees who don't want to pay for the coverage can choose to waive it. Employees can also change their election over time. By recording an employee's history of coverage elections in your PeopleSoft system, you make this information available for determining the death coverage factor.

Understanding Death Coverage History

When plans require employees to pay for their preretirement survivor annuity (PRSA) coverage, employees can waive the coverage. Employees who change their coverage election can end up with a history of covered and not covered periods.

Note. If there is no coverage history, the system assumes that the employee has never had PRSA coverage, that is, the employee waived such coverage at all times. However, the Internal Revenue Code requires plan sponsors to assume that employees are covered by PRSA benefits unless they have elected otherwise. You should, therefore, record coverage as a workflow process that initiates whenever you hire an employee or change an employee's marital status from single to married.

The system builds a history of covered and not covered time segments based on employee elections. Two other elements can impact the coverage history: Both the employee's group affiliation and the definition used for the employee's group can change. When either event occurs, the coverage history begins a new segment.

The system calculates a reduction for each segment; the final reduction is the sum of all the reductions. For example, if you change your plan rules in 2000 and an employee has a 1 percent reduction for the time before 2000 and a .5 percent reduction for the time after, the final reduction is 1.5 percent and the final factor is .985.

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Coverage segments don't have fixed lengths. They are determined by dates when the coverage election changes, the plan rules change, or the employee changes group affiliation. Only segments where the employee has elected death coverage become part of the reduction calculation.

Using Death Coverage Results

The death coverage factors function returns a single adjustment factor which you typically incorporate into your benefit formula. The result is the actual factor applied to the benefit, not the reduction amount. For example, the factor would be 98 percent or .98 for a 2 percent reduction.

Defining Death Coverage Reductions

To define death coverage reductions, use the Death Coverage (DEATH_COVERAGE) component.

This section provides an overview of understanding death coverage definitions, lists the pages used to define death coverage reductions, and discusses how to:

- Establish the method for calculating death coverage reduction factors.
- Apply reductions.
- Define a death coverage reduction fixed period.
- Define a death coverage reduction schedule.

Understanding Death Coverage Definitions

If an employee changes jobs and moves in and out of plan eligibility, you don't want to treat the period of ineligibility as a covered period. Rather than having to always record coverage changes due to plan eligibility changes, you can set up separate death coverage definitions to be used during eligible and ineligible periods where the definition for ineligible periods produces no reduction. You set this up on the Function Result page using the Definition Applies to parameters.

See Also

Chapter 41, "Setting Up Function Results," page 353

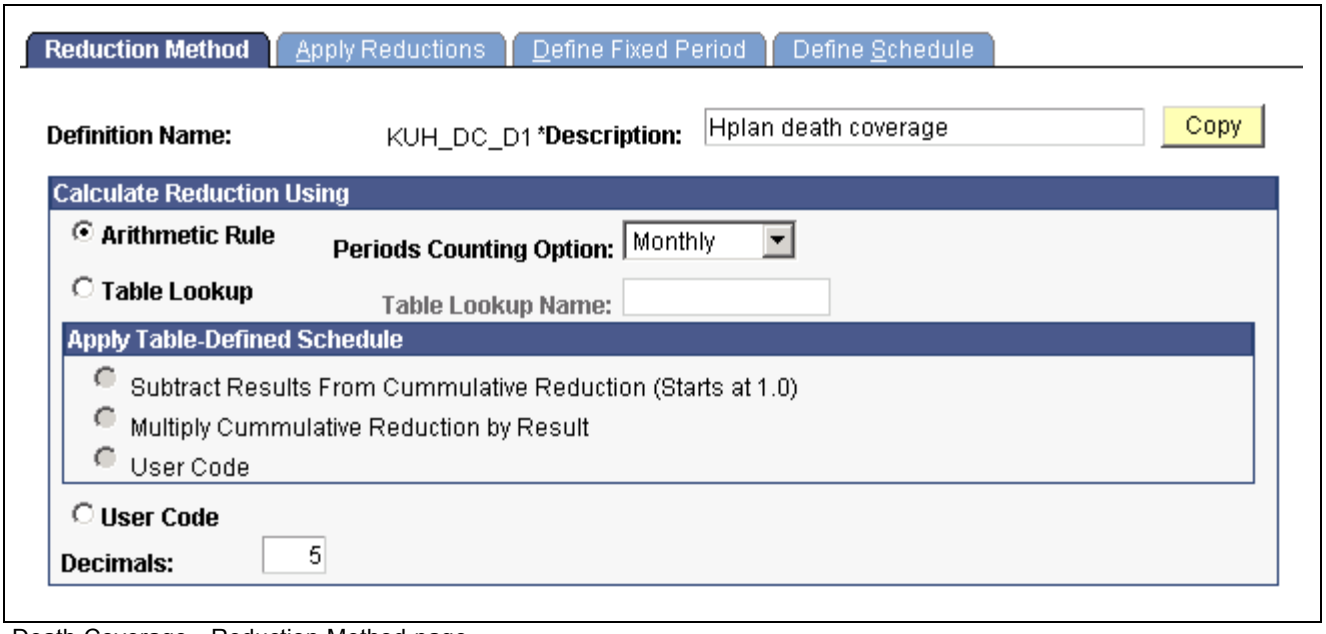
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Pages Used to Define Death Coverage Reductions

Page Name	Object Name	Navigation	Usage
Reduction Method	PA_DEATH_ADJ_GEN	Set Up HRMS, Product Related, Pension, Components, Death Coverage, Reduction Method	Establish the method for calculating death coverage reduction factors.
Apply Reductions	PA_DEATH_ADJ_GEN2	Set Up HRMS, Product Related, Pension, Components, Death Coverage, Apply Reductions	Indicate what time period to evaluate when determining the reduction factor.
Define Fixed Period	PA_DEATH_ADJ_ARITH	Set Up HRMS, Product Related, Pension, Components, Death Coverage, Define Fixed Period	Define the fixed period to which to apply a reduction.
Define Schedule	PA_DEATH_ADJ_COV	Set Up HRMS, Product Related, Pension, Components, Death Coverage, Define Schedule	Set up an arithmetic rule.

Establishing the Method for Calculating Death Coverage Reduction Factors

Access the Reduction Method page.



Death Coverage - Reduction Method page

Calculate Reduction Using

Arithmetic Rule An arithmetic method involves counting the covered periods from the election history and applying a specific factor (a percentage or fraction) for each period. For example, you could reduce a benefit by .05 percent for each year

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of coverage or by .05 percent per year for the first five years of coverage and .04 percent per year thereafter.

Select an option in the Periods Counting Option field. There are parameters for setting the reduction rate on the Define Schedule page. Here, you only specify units for measuring the covered period of time.

Select from monthly or yearly periods.

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

See Chapter 30, "Creating Table Lookup Aliases," page 257.

Apply Table-Defined Schedule

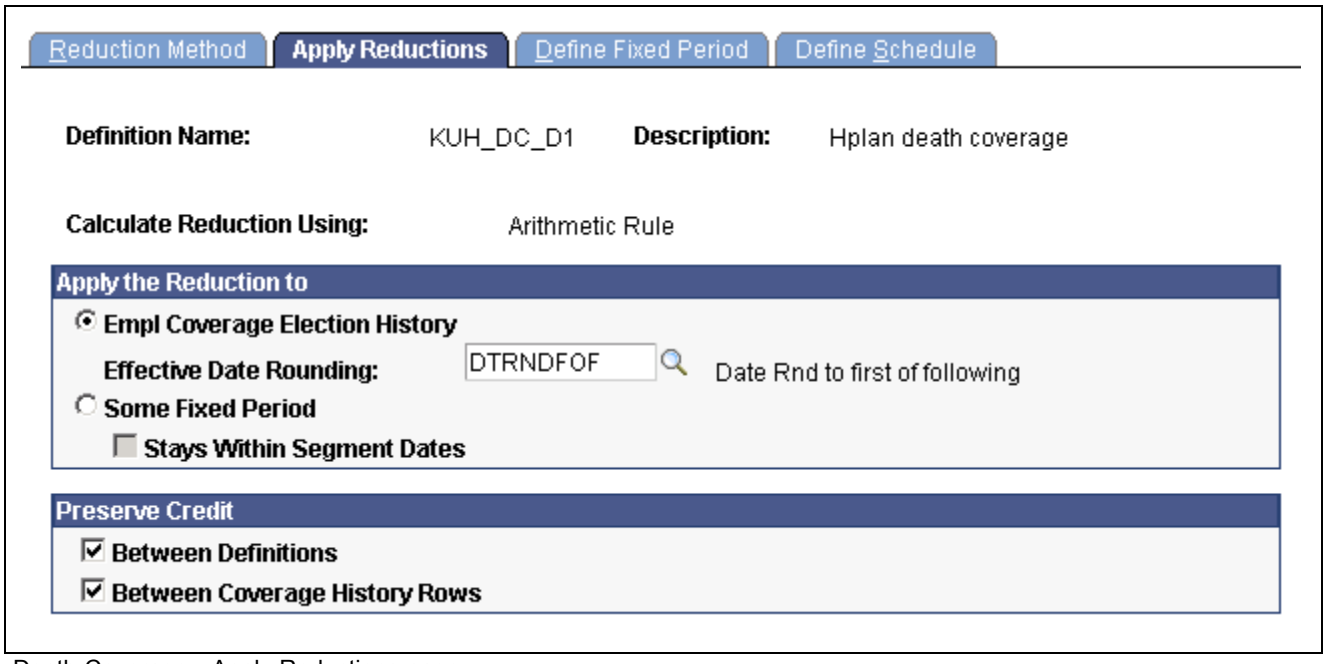
Subtract Result From Cumulative Reduction (Starts at 1.0) Select this if the table returns the reduction amount—for example, .02 for a 2 percent reduction. This option starts with a factor of 1.0 and reduces it by the factor provided by the table lookup. So if the table lookup returns a .02 reduction, the system converts that to a reduction factor of .98.

Multiply Cumulative Reduction By Result Select this if the table returns the reduction factor—for example, .98 for a 2 percent reduction.

Decimals Select the number of decimal places for the final reduction factor. The system rounds the final result to the specified number of decimal places.

Applying Reductions

Access the Apply Reductions page.



Death Coverage - Apply Reductions page

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Apply the Reduction to

In this group box, you can indicate how to apply arithmetic reductions. You can:

- Evaluate the employee's history of covered and non-covered time periods.
- Ignore the coverage history and base the factor on a fixed time span, such as date of hire to event date, age 40 to event date, or event date to benefit commencement date.

Empl Coverage Election History (employee coverage election history)

The death coverage function breaks the history into covered and non-covered segments, based on coverage changes.

You can round the coverage change dates by entering a rounding option in the Effective Date Rounding field. For example, you might always round to the first of the preceding month so that you always deal in full months.

Some Fixed Period

Specify a specific length of time to use as the basis for the factor—for example, the period from age 50 to the event date. In this case, the death coverage function doesn't break an employee's history into segments but instead treats the period as a single segment. Therefore, if the employee's coverage history shows that the employee is covered at any point during the defined period, the benefit is reduced as if coverage were in effect for the entire period. You set the fixed period on the Define Fixed Period page.

You can modify the fixed period by constraining it to the segments dates. To do this, select Stays Within Segment Dates. If you define the fixed period as the time starting when the employee reaches age 50 and ending at the event date, the function looks at the coverage history and adjusts the period to begin whenever coverage begins within the period. In this case, if coverage were active when the employee reached age 50, the period would begin immediately, but if the coverage commenced at age 52, the period would not start until that point.

Preserve Credit

Often the cost of coverage for an employee decreases the longer the employee maintains coverage. For example, the reduction could be .05 percent per period for the first 60 months of coverage and .04 percent per period for all subsequent periods. When an employee starts using a new reduction definition, whether because of a change in group affiliation, a new coverage election, or a change in plan rules, you can either start counting periods from zero, or you can preserve the previous history.

Between Definitions

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

Between Coverage History Rows

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

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

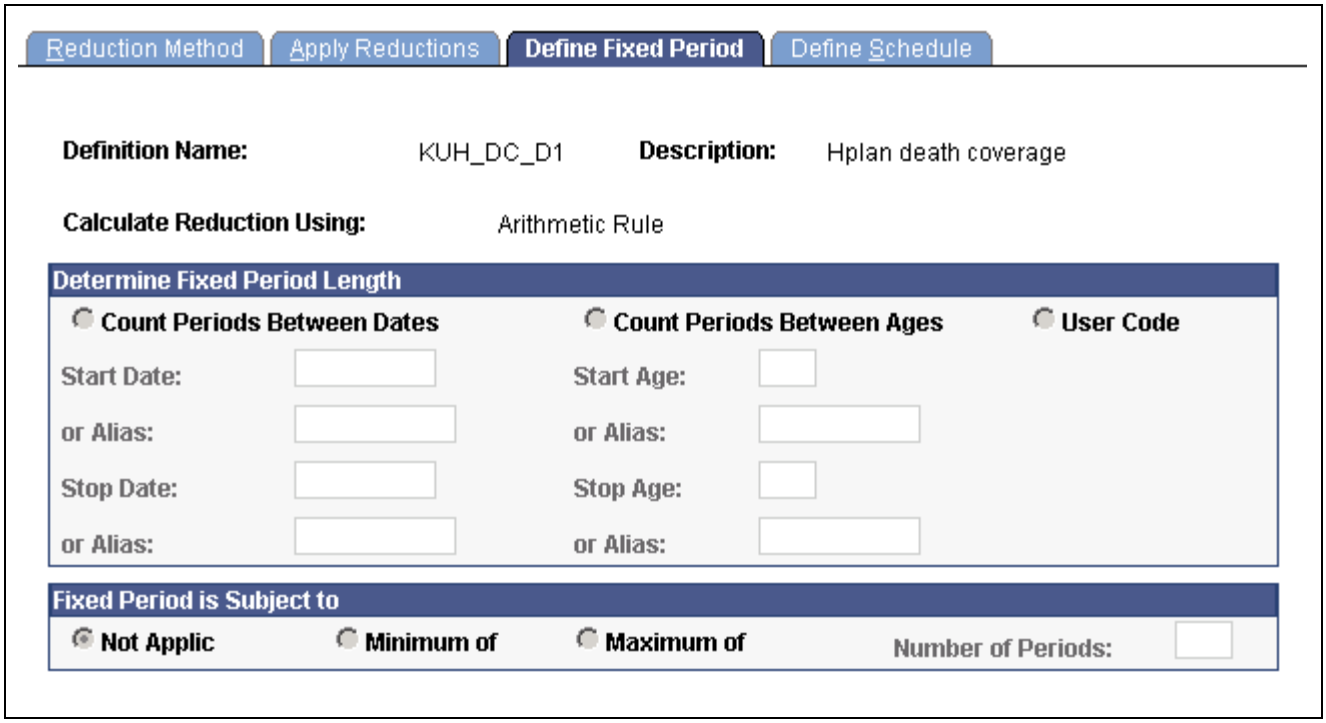
Note. If you preserve coverage between definitions, all definitions must have this option selected.

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Defining a Death Coverage Reduction Fixed Period

If, on the Apply Reductions page, you selected to apply the reduction to a fixed period, set up that period here.

Access the Define Fixed Period page.



Death Coverage - Define Fixed Period page

Determine Fixed Period Length

Count Periods Between Dates or **Count Periods Between Ages** or **User Code**

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

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

Fixed Period is Subject to

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

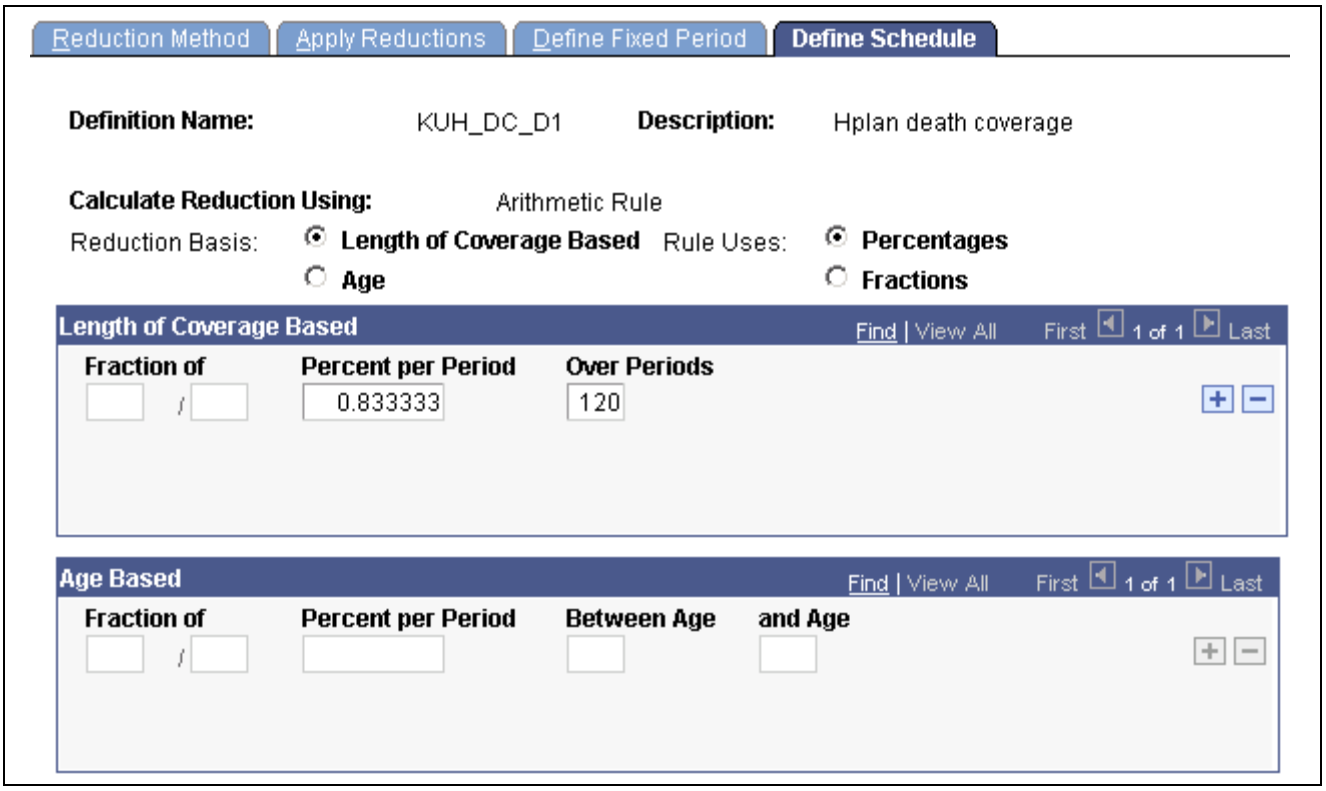
Not Applic (not applicable) Select this if you don't want to impose limits. Otherwise, indicate whether the limit is a minimum or maximum, and enter the limit in the Number of Periods field.

Defining a Death Coverage Reduction Schedule

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

Access the Define Schedule page.

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Death Coverage - Define Schedule page

Reduction Basis

An arithmetic reduction can be based on either employees' ages or their lengths of coverage. To give an age-based example, you could reduce a benefit by .04 percent per period from age 40 to 54, then by .03 percent per period from age 55 and up. A reduction based on length of coverage would follow a pattern such as a .04 percent per period reduction for the first 30 periods and a .03 percent per period reduction for additional periods. The period is determined by the Periods Counting Option on the Reduction Method page.

Select Length of Coverage Based or Age. Then complete either the Length of Coverage Based or Age Based group box.

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

Rule Uses

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

Length of Coverage Based

For reductions based on length of coverage, the system applies adjustments in the order in which they appear on the page. So if you adjust by .05 percent per year for the first two years and .04 percent per year for the next three years, the .05 percent row must be before the .04 percent year. The order shown on the page is the order the function uses.

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CHAPTER 25

Defining Benefit Formulas

This chapter provides an overview of the benefit formula and discusses how to:

- Use benefit formula results.
- Create the benefit formula definition.
- Apply a QDRO (qualified domestic relations order) offset.

Understanding the Benefit Formula

The benefit formula is the heart of a pension calculation. Most of the calculation steps prior to the benefit formula exist primarily to provide benefit components. You bring these components together in the formula.

Using Benefit Formula Results

This section provides an overview of benefit formula results, and discusses how to:

- Set up multiple formulas in a single function result.
- Set up multiple function results.

Understanding Benefit Formula Results

The benefit formula produces a dollar amount and a description of what that amount represents. The description consists of a payment frequency and normal (not default) forms of payment for single and married participants.

You use the result for reporting, primarily within the benefit statements you give your employees. You also reference the result when you use the optional forms of payment function to create the form set that goes with the benefit formula. Only forms in the optional form set are offered to employees. The normal form of the benefit, as defined in the benefit formula, is only offered if it is repeated in the optional forms of payment function.

Processing for the 415 limits function also looks at benefit results.

See Also

Chapter 27, “Defining Optional Forms of Payment,” page 215

Chapter 28, “Applying Section 415 Limits,” page 235

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Setting Up Multiple Formulas in a Single Function Result

If you use different formulas for different retirement benefits (normal retirement, early retirement, disability retirement, or others), you can still incorporate all these formulas into a single benefit formula function result. You create groups based on benefit eligibility and associate each group with the appropriate formula. Every employee thus automatically uses the right formula.

Group Criteria	Definition
Benefit eligibility = normal retirement	Regular plan benefit
Benefit eligibility = early retirement	Reduced benefit

You can similarly use grouping to distinguish between retirement benefits and ancillary benefits for death and disability.

Group Criteria	Definition
Event reason = termination	Regular plan benefit
Event reason = death or disability	Regular plan benefit with 100 percent vesting

Grouping also enables you to use different formulas for employees and for QDRO alternate payees. This is important because an employee's formula is based on various calculated elements, such as service and final average earnings, whereas a QDRO alternate payee's benefit is simply stored in the database. Although you do not need a benefit formula to give you that stored value, you need a benefit formula to multiply that value by an early retirement factor and to feed that amount into the payment process.

Group Criteria	Definition (Early Retirement Benefit)
Employees with no QDRO offset	Regular plan benefit x early retirement factor
Employees with a QDRO offset	(Regular plan benefit minus offset) x early retirement factor
QDRO alternate payees	Stored QDRO amount x early retirement factor

See Also

Chapter 17, "Defining Benefit Eligibility," page 143

Chapter 40, "Grouping Employees," page 345

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Setting Up Multiple Function Results

All the reasons for setting up multiple benefit formula function results are about seeing before and after values, rather than just presenting a final amount without the intermediate values. For example, you can create separate function results to show benefits before and after applying:

- Vesting
- Early or late retirement factors
- A QDRO offset

Contributory plans offer another reason for setting up multiple benefit formula results. You set up one function result for the total benefit and another for the employer-paid portion of the benefit. By law, you can only apply vesting rules to the employer-paid portion. You then need a third function result that adds the employee-paid benefit back to the employer-paid portion after you apply vesting.

In certain cases you can use a standalone custom statement, rather than an additional benefit formula function result. Use the benefit formula if you want to:

- See the intermediate results (the system doesn't show you results of standalone custom statements).
- Feed through to optional forms so you can pay employees based on that amount.

Note. When you use multiple function results, enter useful descriptions so that users can understand what each value represents.

Creating the Benefit Formula Definition

To define the benefit formula, use the Benefit Formula (BENEFIT_FORMULA) component.

This section provides an overview of the benefit formula definition, lists the pages used to define the benefit formula definition, and discusses how to:

- Define the normal form associated with a benefit formula.
- Define a benefit by mathematical formula.

Understanding the Benefit Formula Definition

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

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Pages Used to Define the Benefit Formula Definition

Page Name	Object Name	Navigation	Usage
Normal Form of Payment	PA_FORMULA_PNL	Set Up HRMS, Product Related, Pension, Components, Benefit Formula, Normal Form of Payment	Explicitly define the normal form associated with a particular formula.
Benefit Formula	PA_CUSTOM_PNL	Set Up HRMS, Product Related, Pension, Components, Benefit Formula, Benefit Formula	Create the mathematical formula that defines the benefit.

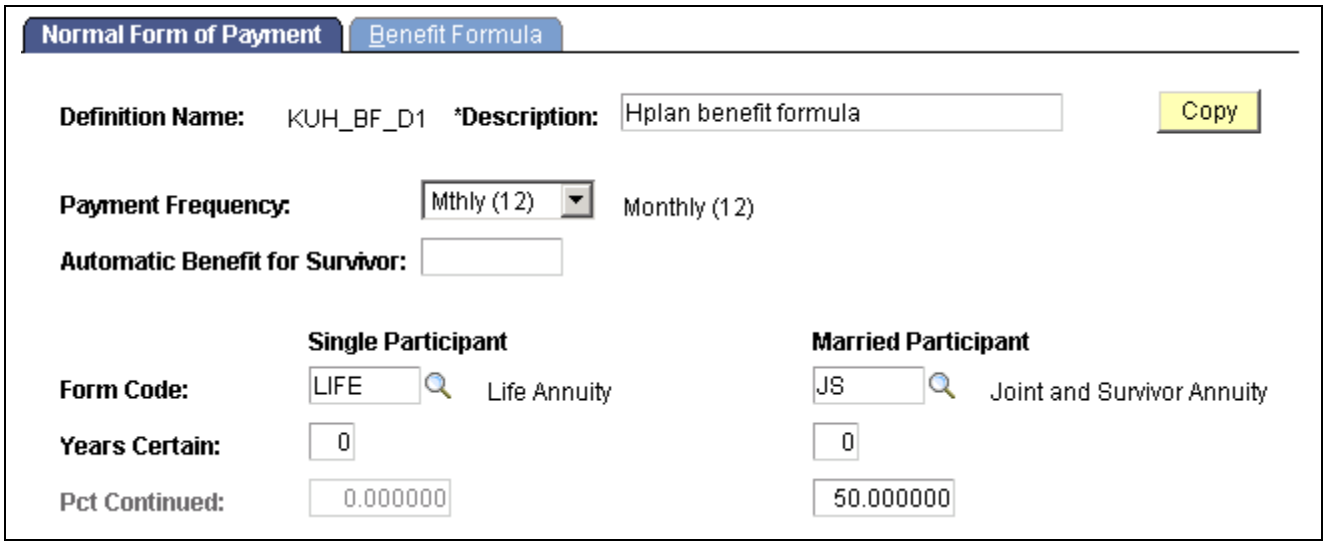
See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," Using the Custom Statement Page, page 298

Defining the Normal Form Associated with a Benefit Formula

Access the Normal Form of Payment page.

A benefit equation yields a benefit amount in its normal form. The normal form data is used as a basis for converting to optional forms.



Benefit Formula - Normal Form of Payment page

Payment Frequency Select from: *Lump Sum (Single), Annual (1), Semi-Annual (2), Quarterly (4), Monthly (12), Semi-Monthly (24),* or *Bi-Weekly (26).*

Automatic Benefit for Survivor Certain plans, most commonly public plans, offer an automatic benefit for surviving spouses. For example, Plan A specifies an automatic 25 percent benefit. The normal form of Fred's benefit is 1000 USD per month as a single life annuity, but even if he selects a single life annuity, his wife Norma is entitled to 250 USD per month after Fred dies. Any actuarial reductions for other benefit forms, such as joint and survivor, level income option, and certain and continuous, only apply to the remaining 750 USD of his benefit.

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So if Fred chooses a 50 percent joint and survivor form, the 750 USD is actuarially reduced, say to 700 USD, and Fred's benefit is 950 USD. After Fred dies, his joint and survivor beneficiary receives 350 USD per month. This beneficiary could be Norma, but could also be a child, a trust, or another person. If he does name Norma as his beneficiary, she gets the 350 USD in addition to the automatic 250 USD, for a total benefit of 600 USD per month.

When a plan offers this benefit, specify the automatic continuation percentage here. The benefit is only offered if the employee has a spouse and if spouse eligibility conditions specified in the plan aliases page are met.

Form Code

Regardless of whether there is an automatic continuation, enter information about the normal payment form for both a single participant and a married participant. Select from *Certain Only Installment, Joint and Survivor Annuity, Life Annuity, Level Income Option, Last to Survive Annuity, Lump Sum, Pop Up Annuity,* or *Reversionary Annuity.*

You do not normally select a form with survivor benefits (for example, a joint and survivor annuity) as the normal form for single participants.

Note. Do not select *Spouse J&S Demonstration,* which is used for optional forms pages only. Use *Joint and Survivor Annuity.*

Years Certain

Enter the guaranteed number of years to set up a term certain or a certain and continuous form.

Pct Continued (percent continued)

If you chose a payment form that offers payments to a survivor (for example, *Joint and Survivor* or *Last to Survive*), use this field to indicate what percent of the initial payment the survivor will continue to receive after the death of the joint annuitant.

See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," page 297

Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363

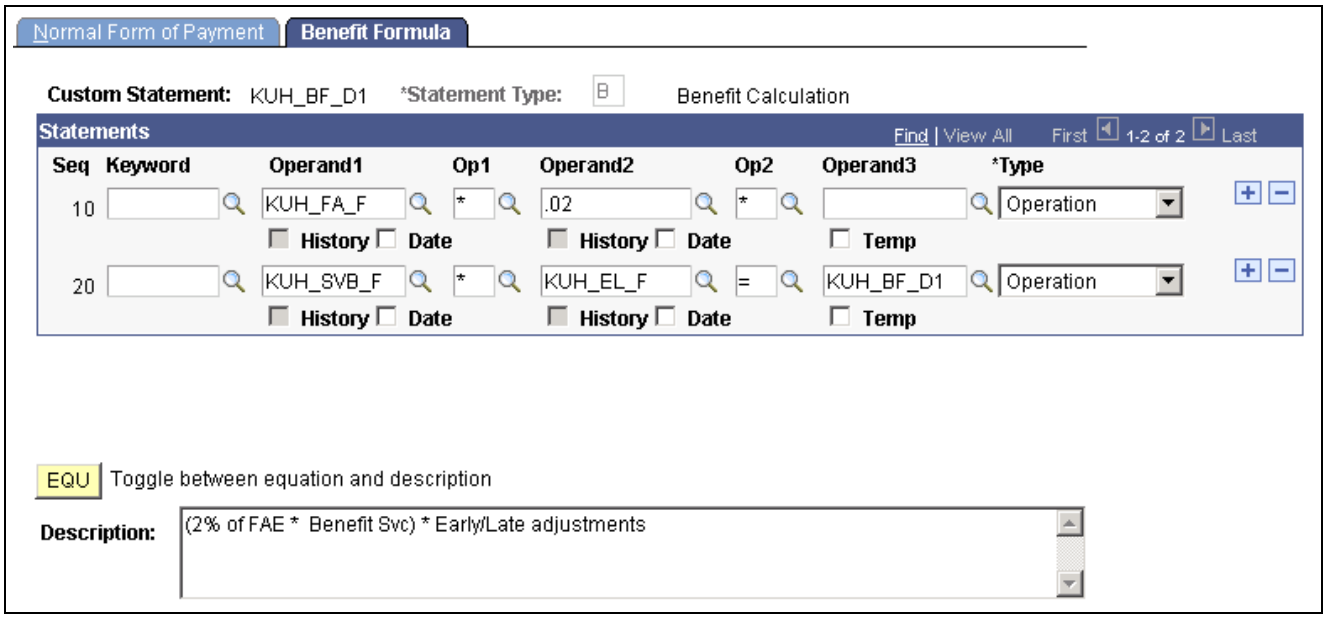
Chapter 27, "Defining Optional Forms of Payment," page 215

Defining a Benefit By Mathematical Formula

Access the Benefit Formula page.

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

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Benefit Formula - Benefit Formula page

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

Operand1 and **Operand2** Enter your benefit components in the Operand1 and Operand2 fields.

Op1 (operator 1) and **Op2** (operator 2) Enter the mathematical operations or the Boolean operators that join them in the Op1 and Op2 fields.

Note. Be sure your formula corresponds to the payment frequency you entered on the Normal Form of Payment page. For example, if your annual benefit is 2 percent x average earnings x service, and you entered a payment frequency of monthly, you must include a "divided by twelve" clause in the formula.

You may want to create temporary variables within your benefit formula. For example, you could create two variables, TEMP01 and TEMP02, that you could then compare to find the actual benefit.

Temporary variables are very useful in complex statements, as they enable you to isolate distinct portions of the calculation and then bring them together later. For example, the following statement establishes up front that TEMP01 is average earnings up to covered compensation and TEMP03 is average earnings over covered compensation. Once the temporary variables are set, the formula can reference them to determine a benefit of 2 percent of earnings up to covered compensation plus 3 percent of earnings over covered compensation multiplied by service and by the vesting factor.

Key	Operand1	Op1	Operand2	Op2	Operand3	Type
MIN	FAE		COVER_ COMP	=	TEMP01	Function
	FAE	-	COVER_ COMP	=	TEMP02	Operation
MAX	TEMP02		0	=	TEMP03	Function

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Key	Operand1	Op1	Operand2	Op2	Operand3	Type
	.02	X	TEMP01			Operation
	.03	X	TEMP03	x		Operation
	SERVICE	X	VESTING	=	BENEFIT	Operation

See Also

Chapter 37, "Using Interest Methods," page 325

Applying a QDRO Offset

If you want an employee's calculation to include a QDRO offset component, you must explicitly include it in the plan benefit formula. You can either include it in your basic formula, or you can create a separate formula and use grouping logic to ensure that employees with QDROs use the formula with the offset and employees without QDROs use the basic formula.

PeopleSoft provides a special alias for your offset formula. QDRO_AMT references the fixed amount of the QDRO benefit as entered in Pension, Domestic Relations Order, Administer QDRO, QDRO Process. The system takes care of changing the value of the alias for each plan in the calculation. If there is more than one QDRO against the employee, the system automatically adds the offsets together.

Typically, you incorporate the offset through simple subtraction: the total benefit minus the QDRO_AMT is the remaining benefit. The caveat is that the subtraction is only valid when the amounts reflect the same form of payment—for example a single life annuity—and the same commencement date, usually normal retirement date.

For example, if Paul's normal benefit is 2,000 USD per month as a single life annuity beginning at age 65, and Mary's QDRO entitles her to 1,000 USD per month single life annuity also beginning at Paul's age 65, you can subtract the numbers directly.

Note. It is the administrator's responsibility to enter the appropriate QDRO amount. The system does not convert the amount based on either payment form or commencement date.

If you choose to set up rules differently depending on whether an employee has a QDRO, you apply the different definitions using grouping logic. For example, you can set up a benefit formula function result with the following components:

Group Criteria	Definition
Employees without QDROs	2 percent x average earnings x service x vesting
Employees with QDROs	(2 percent x average earnings x service x vesting) - QDRO offset

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CHAPTER 26

Defining Employee-Paid Benefits

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

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

Understanding Employee-Paid Benefits

Contributory plans present special considerations that require you to separate the total benefit amount into employee-paid and employer-paid portions. In a contributory plan:

- Employees are always 100 percent vested in their contributions, while the employer-paid portion of a benefit is subject to plan vesting rules.
- If employees are entitled to withdraw contributions as a lump sum at benefit commencement, you pay the employee-paid and employer-paid portions separately.
- 415 limits on total benefits only apply to the employer-paid portion.

The employee-paid benefit function calculates the total value of employee contributions and converts that amount to a single life annuity as of a specified date, usually the normal retirement date.

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

Using Employee-Paid Benefit Results

The employee-paid benefit function produces a dollar amount that represents the annuity value of employee contributions as of a specified date, either the normal retirement date or the lump sum date. The way that you handle the employee-paid benefit depends on whether employee contributions supplement the plan benefit or whether they offset the cost of providing the benefit.

See Also

Chapter 8, "Setting Up Contributory Plans," Managing Employee-Paid and Employer-Paid Benefits, page 47

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Creating an Employee-Paid Benefit

To create an employee-paid benefit definition, use the Employee Paid Benefit (PA_EEBENEFIT_P1) component.

This section lists the pages used to create an employee-paid benefit definition and discusses how to:

- Set up to calculate appreciated value of contributions.
- Set up additional employee-paid benefit options.

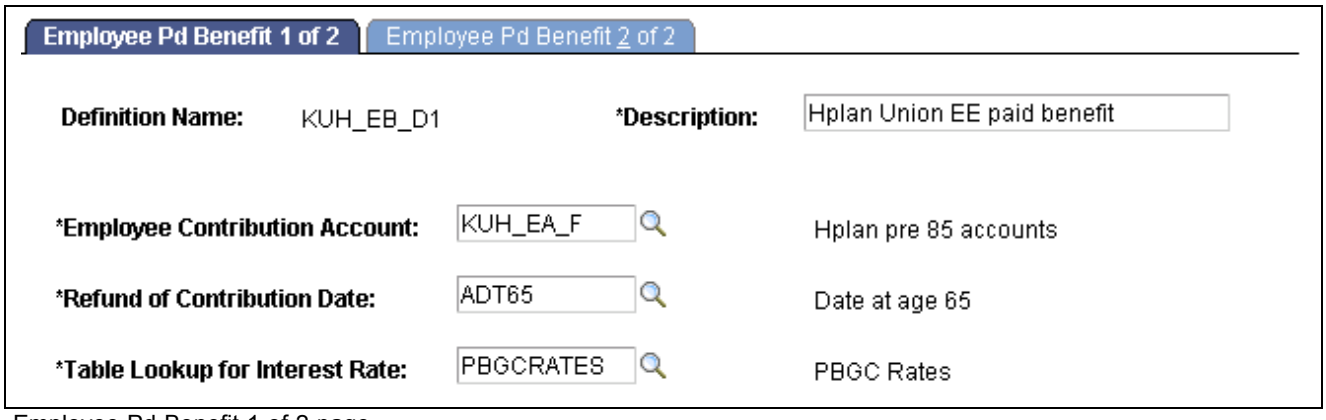
Pages Used to Create an Employee-Paid Benefit Definition

Page Name	Object Name	Navigation	Usage
Employee Pd Benefit 1 of 2 (employee-paid benefit 1 of 2)	PA_EEBENEFIT_P1	Set Up HRMS, Product Related, Pension, Components, Employee Paid Benefit, Employee Pd Benefit 1 of 2	Enter the parameters to calculate appreciated value of contributions.
Employee Pd Benefit 2 of 2 (employee-paid benefit 2 of 2)	PA_EEBENEFIT_P2	Set Up HRMS, Product Related, Pension, Components, Employee Paid Benefit, Employee Pd Benefit 2 of 2	Choose the date to which the system should project the balance, an interest rate to use when projecting the balance to this date, and a method for converting to an annuity.

Setting Up to Calculate Appreciated Value of Contributions

When an employee withdraws contributions, you need to calculate the appreciated value of the contributions until the withdrawal date. The employee accounts function provides the balance as of the event date, and an interest method determines any interest applied from then until the date contributions are refunded.

Access the Employee Pd Benefit 1 of 2 page.



Employee Pd Benefit 1 of 2 page

Employee Contribution Account Enter the name of an account to establish the beginning balance.

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Refund of Contribution Date

There are two components to the interest basis: the date up to which interest accrues and the interest rate.

The date up to which interest accrues is called the "refund of contribution date" or the ("date of determination"). This is normally the benefit commencement date, but if you use a different lump sum date, you might use that as the refund of contribution date.

Table Lookup for Interest Rate

The interest rate is determined by a table lookup. You set up your lookup basis on the Table Lookup page. Enter the name of your table lookup rule.

This lookup returns a single interest rate that will be applied over all periods. The employee-paid benefit function does not permit an interest rate that varies over time (for example, the federal midterm rate for each month).

See Also

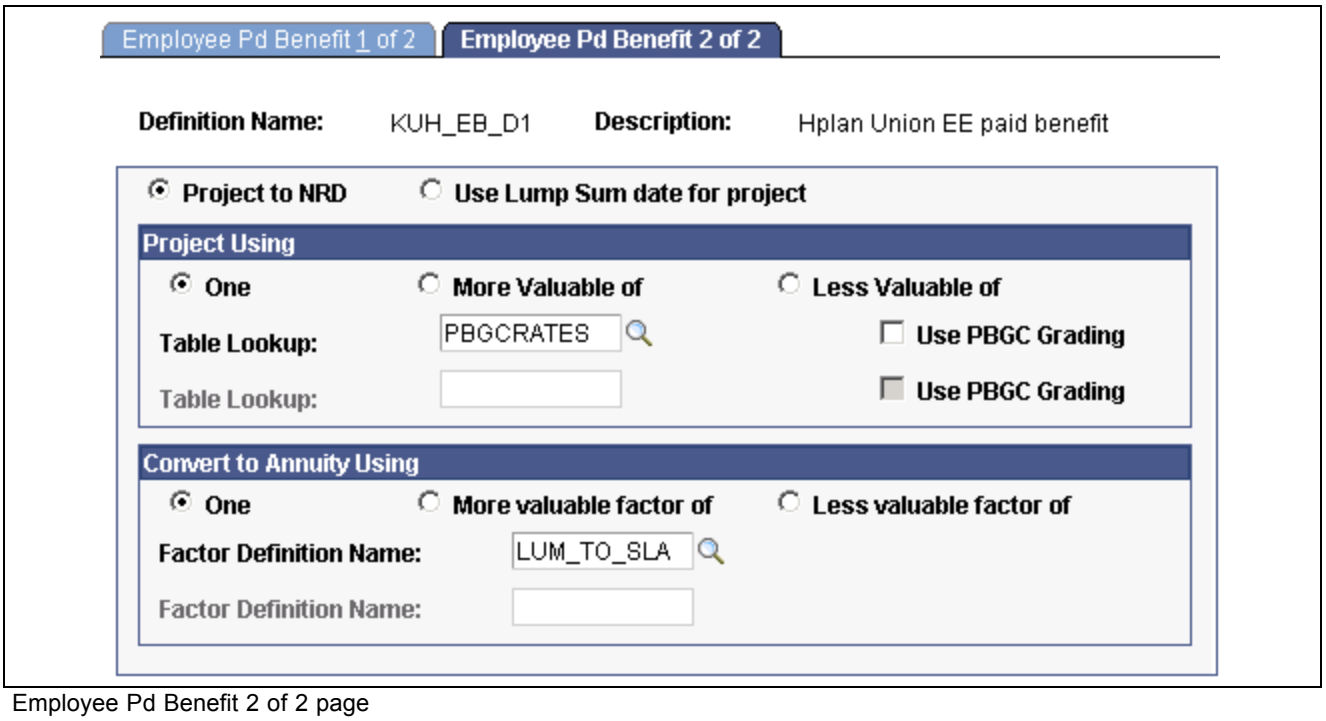
Chapter 30, "Creating Table Lookup Aliases," page 257

Setting Up Additional Employee-Paid Benefit Options

The employee-paid benefit function tells you what portion of the total benefit is attributable to employee contributions and interest. In order to compare the employee-paid benefit to the total benefit, this amount must be as of the same date (normal retirement date) and in the same form of payment.

If the refund of contributions date is before the normal retirement date, the employee account balance has to be projected to the date when the employer would normally expect to start paying pension benefits. This ensures that you compare equivalent numbers when you compare the employee-paid benefit result to the normal benefit amount.

Access the Employee Pd Benefit 2 of 2 Page.



Employee Pd Benefit 2 of 2 page

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Project to NRD or **Use Lump Sum Date for project**

Select Project to NRD to project the employee-paid benefit to the normal retirement date (NRD), or select Use Lump Sum Date for project to project the benefit using the lump sum date. The NRD is established on the Plan Aliases page. The lump sum date comes from the calculation page.

Note. The lump sum date isn't a required field on the calculation page, but it is needed if you project to the lump sum date. Therefore, if you choose to project to the lump sum date, you may want to make the lump sum date a required field on the calculation page.

The system will only project when the selected date is later than the refund of contribution date on the Employee Pd Benefit 1 of 2 page.

Project Using

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

One, More Valuable of, or **Less Valuable of**

To use only one interest method, select One. To compare two interest methods, select either More Valuable of or Less Valuable of to indicate the value to select from the two table lookup values you specify.

Table Lookup

If you selected One, enter the name of one table lookup method; otherwise, enter two method names.

On the Pd Benefit 1 of 2 page you use table lookup to find a rate to use up to the refund of contributions date. Here, you use a table lookup to find the rate to use afterward the refund of contributions date.

Use PBGC Grading

In addition to looking up a single rate, you can select this option to use Pension Benefit Guaranty Corporation (PBGC) grading. The PBGC graded structure includes an immediate annuity rate (the rate provided by the lookup), an interest rate used for a defined period prior to the normal benefit commencement date, another interest rate for a defined period prior to that, and a third rate for all other years back to the event date.

Convert to Annuity Using

To compare the employer-paid portion of a benefit to the total benefit, both portions have to be for the same form of payment, typically some sort of annuity. The system includes a factor utility that calculates conversion factors for different forms of payment. When you set up the factor, specify that you're converting from a lump sum to your plan's normal form.

Note. The factor alias references actuarial assumptions, including an assumption as to whether the benefit is paid annually, monthly, or in some other frequency. Be sure the payment frequency in the referenced actuarial assumptions matches the payment frequency of your normal form of benefit.

One, More valuable factor of, or **Less valuable factor of**

To use only one factor, select One. To compare two factors, select either More valuable factor of or Less valuable factor of to indicate the value to select from the two values you specify in the Factor Definition Name fields.

Factor Definition Name

Enter the factor definition name or names.

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See Also

Chapter 42, “Creating the Plan Implementation and Plan Aliases,” page 363

Chapter 59, “Maintaining Public Tables,” Maintaining Interest Rate Tables, page 632

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CHAPTER 27

Defining Optional Forms of Payment

This chapter provides overviews of optional forms of payment and optional forms of payment results, and discusses how to:

- Use optional forms of payment results.
- Create an optional forms of payment definition.
- Use form codes.
- Use payment types.
- Use QDRO with optional forms of payment.

Note. Optional forms of payment are also called "optional forms." This book uses both terms.

Understanding Optional Forms of Payment

After you establish an employee's normal form of payment benefit, you typically offer the employee a set of alternate payment options. The optional forms of payment function enables you to create a set of optional forms of payment from which an employee may choose.

Each optional form set is associated with a particular benefit. That is, you set up one optional forms of payment function result for each benefit formula and benefit commencement date combination. Typically, this means one optional forms of payment function result per benefit formula.

Note. Use a single benefit formula and benefit commencement date (BCD) for all optional forms of payment definitions within a single function result. The one exception is that an optional form set including a lump sum can use a different BCD for the lump sum from the one used for the rest of the forms in the set.

Understanding Optional Forms of Payment Results

Optional forms of payment results are an end product of a calculation; you pick up the results when you prepare to start making pension payments.

The system also uses optional forms of payment information when applying Section 415 limits. The 415 limits function, which applies Internal Revenue Code limits across multiple plans, uses the optional forms of payment results as the source of its benefit information. If the benefit must be limited, the 415 limits function adds the limited amounts to the optional forms of payment results.

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

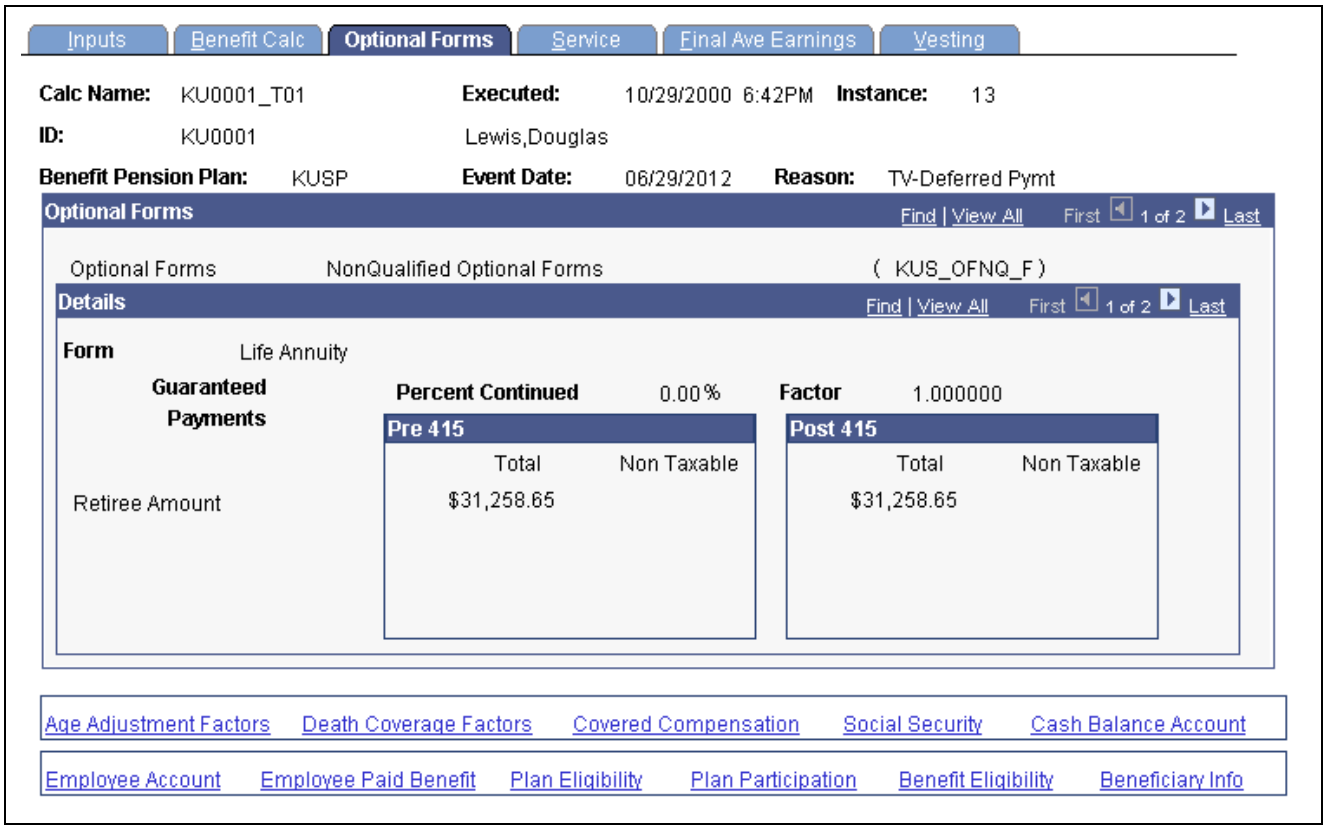
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Using Optional Forms of Payment Results

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

- Identifying information about the nature of the form.
- One or several associated payment types. For example, a joint and survivor form includes both retiree and beneficiary amounts, while a level income option includes one amount to use until the retiree's social security retirement age and another amount to use after the retiree reaches social security retirement age.
- Four dollar amounts for each payment type:
  - Total amount before applying 415 limits.
  - Nontaxable portion of the pre-415 limits amount.
  - Total amount after applying 415 limits.
  - Nontaxable portion of the post-415 limits amount.

The following page (access this page under Pension, Review Calculations, Review Calculation Results) shows results for a single form in an optional form set:



Optional Forms page

- Each form is identified by the form type, the number of years of guaranteed payments, and the percentage of the benefit that is continued to a surviving beneficiary.
- Forms can have multiple payment options. A joint and survivor form includes payments for the retiree and beneficiary payments for after the retiree dies.

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- The system provides four values for each payment option: the total amount and any nontaxable portion of that amount, both before and after applying 415 limits.

See Also

Chapter 27, "Defining Optional Forms of Payment," Using Form Codes, page 229

Chapter 27, "Defining Optional Forms of Payment," Using Payment Types, page 230

Chapter 47, "Viewing Calculation Results," Viewing Optional Forms Results, page 441

Creating an Optional Forms of Payment Definition

To create a definition for an optional form of payment, use the Optional Forms (OPTIONAL_FORMS) component.

This section lists the pages used to create an optional forms of payment definition and discusses how to:

- Define the general parameters of an optional form set.
- Define forms.
- Set up lump sum parameters (part 1).
- Set up lump sum parameters (part 2).
- Enter information about level income option forms.

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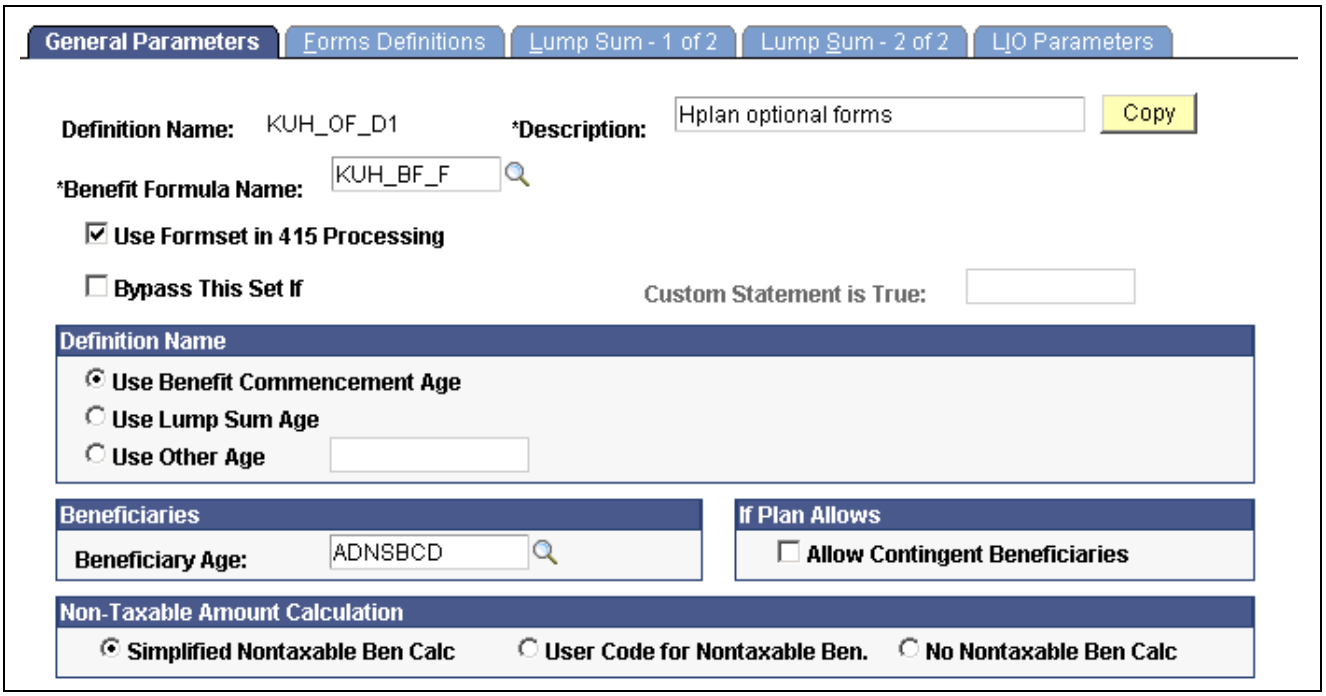
Pages Used to Create an Optional Forms of Payment Definition

Page Name	Object Name	Navigation	Usage
General Parameters	PA_OPT_FORMS1	Set Up HRMS, Product Related, Pension, Components, Optional Forms, General Parameters	Describe an entire form set.
Forms Definitions	PA_OPT_FORMS2	Set Up HRMS, Product Related, Pension, Components, Optional Forms, Forms Definitions	• Add options to an option set. • Define the conversion method and other characteristics of each option.
Lump Sum - 1 of 2	PA_OPT_FORMS3	Set Up HRMS, Product Related, Pension, Components, Optional Forms, Lump Sum - 1 of 2	Enter additional information about lump sum forms.
Lump Sum - 2 of 2	PA_OPT_FORMS4	Set Up HRMS, Product Related, Pension, Components, Optional Forms, Lump Sum - 2 of 2	• Establish alternative lump sum actuarial assumptions. • Set a threshold above which the lump sum is not offered.
LIO Parameters	PA_OPT_FORMS5	Set Up HRMS, Product Related, Pension, Components, Optional Forms, LIO Parameters	Enter additional information about level income option (LIO) forms.

Defining the General Parameters of an Optional Form Set

Access the General Parameters page.

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General Parameters page

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

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

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

Definition Name

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

Use Benefit Commencement Age and **Use Lump Sum Age** These values come from the calculation page, where the plan administrator can enter appropriate values at the time the calculation runs.

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

Beneficiaries

Beneficiary Age Always use a duration alias to produce the age. The duration should be from the beneficiary's date of birth (the delivered alias, Beneficiary Alias) to the date that you use for the employee's age.

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Note. Using the BENEF_DOB alias is preferable to using an alias for the spouse's birth date because BENEF_DOB can find both spouse and non-spouse beneficiary birth dates.

If Plan Allows

Allow Contingent Beneficiaries

Select this option if the plan allows non-spouse beneficiaries. Selecting this option makes an additional optional form type available within this definition.

The form type Spouse J&S Demonstration calculates a joint and survivor benefit, but bases the calculation on the spouse's age rather than the non-spouse beneficiary's age. This shows how much the spouse is forfeiting when a retiree selects a non-spouse beneficiary.

If a single optional forms of payment function result contains multiple definitions, be sure that all the definitions:

- Use the same benefit formula name, employee optional form age, and beneficiary age.
- Are treated the same for 415 processing.

Normally, you calculate optional forms of payment as of different dates by running multiple calculations with different benefit commencement dates. However, you can also set up multiple optional forms of payment function results so that a single calculation produces optional forms of payment for multiple dates. For example, you could create one optional form of payment function result based on event date and another based on benefit commencement date.

Non-Taxable Amount Calculation

If an employee has been contributing after-tax money toward a pension, a portion of the final benefit is treated as nontaxable until the employee has recovered the after-tax contributions. For lump sum payments, this is the entire cost basis—that is, the accumulated value of all the employee's after-tax contributions. For other forms of payments, the cost basis must be divided by a divisor to spread the cost basis over the expected number of monthly payments.

For example, a retiree with a cost basis of 2,600 USD and a divisor of 260 would recover the 2,600 USD over 260 monthly payments. This means that 10 USD of the retiree's monthly benefit would be nontaxable for the first 260 months that the retiree was receiving benefits. After the 260 months, the retiree's gross monthly pension benefit would still be the same, but all of it would be taxed.

Simplified Nontaxable Ben Calc (simplified nontaxable benefit calculation), **User Code for Nontaxable Ben.** (user code for nontaxable benefits), or **No Nontaxable Ben Calc** (no nontaxable benefit calculation)

If you select:

- Simplified Nontaxable Ben Calc, the system uses the simplified method (as published in IRS Notice 98-2) to calculate the appropriate nontaxable portion of the benefit. As part of this calculation, the system verifies that the method is applicable. If the method is not applicable, the system calls the Optional Forms User Code module.
- User Code for Nontaxable Ben., your own user code is used to perform this calculation.
- No Non-Taxable Ben Calc, the system does not perform the nontaxable benefit calculation.

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Note. If you use the system's simplified method calculation, you must implement user code to handle situations where the simplified method is not applicable.

The system determines whether the simplified method is applicable and generates a message when it is not.

When the simplified method is applicable, there are different rules for lump sums, certain only payments, and annuities.

For lump sum payments, all the nontaxable money is paid out at once. For example, Penelope's total after-tax contributions (her cost basis) is 9,000 USD. If she takes a lump sum payment, the nontaxable portion is 9,000 USD.

For certain only payments, the divisor is the same as the number of guaranteed payments. So if Penelope were to choose a five year certain form of payment, she would receive her benefit over 60 monthly payments. Each month, 150 USD of her benefit (1/60 of her cost basis of 9,000 USD) would be considered nontaxable.

For annuity forms of payment, the divisor is based on the age (or ages) of the people receiving benefits:

- If the benefit is payable to the retiree only or a single beneficiary (because the retiree has died before the benefit commencement date), the divisor is based on that one person's age.
- If the benefit is payable to the retiree and one or more beneficiaries, the divisor is based on the sum of the ages of the retiree and the youngest beneficiary.
- If the benefit is payable to multiple beneficiaries but not to the retiree (because the retiree dies before the benefit commencement date), the divisor is based on the sum of the ages of the oldest and youngest beneficiaries.

Note. Pension Administration handles a maximum of two beneficiaries: the spouse and a single non-spouse beneficiary.

When the divisor is based on a single person's life, the system finds the divisor based on the following table:

Single Age	Expected Number of Monthly Payments
55 and under	360
56 to 60	310
61 to 65	260
66 to 70	210
71 and over	160

For example, assume that Penelope starts receiving benefits at age 63 and she has no beneficiaries. Applying her divisor of 260 to her cost basis of 9,000 USD, you find that 34.62 USD of her benefit is nontaxable for the first 260 payments.

When the divisor is based on multiple people's lives, the system finds the divisor based on the following table:

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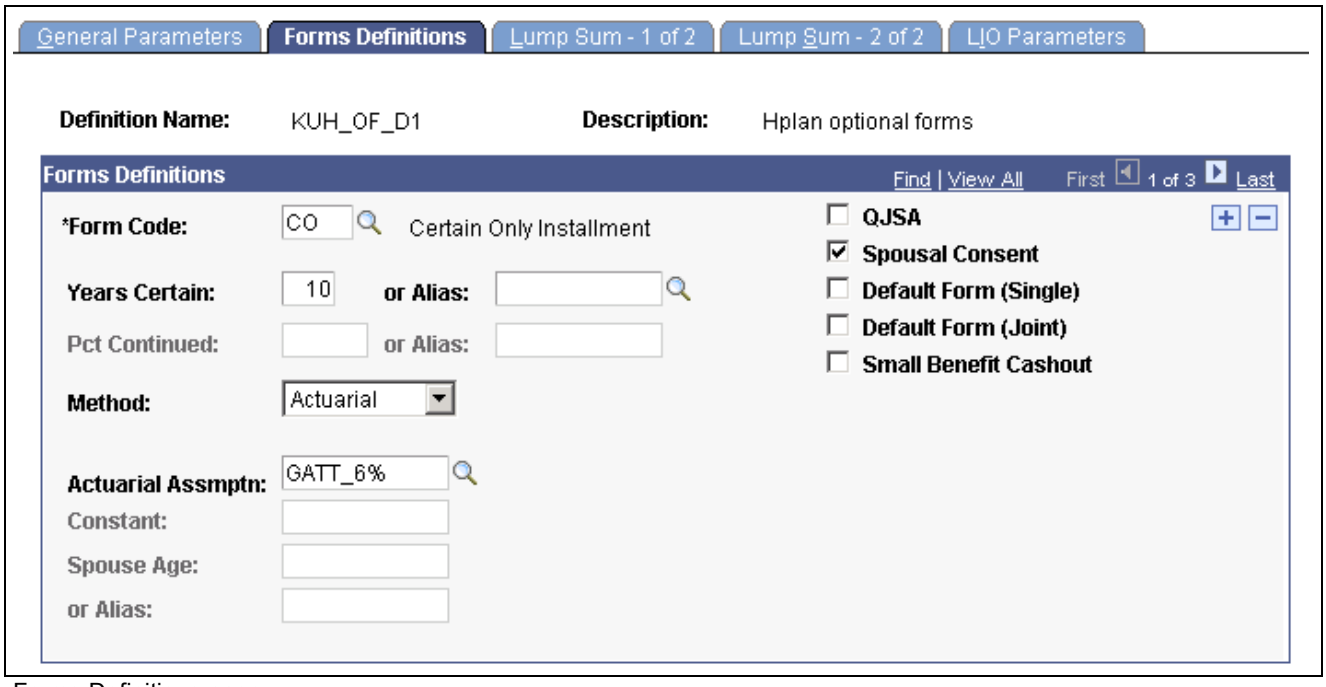
Combined Ages	Expected Number of Monthly Payments
110 and under	410
111 to 120	360
121 to 130	310
131 to 140	260
141 and over	210
71 and over	160

For example, assume that Penelope's husband, Jordan, is her beneficiary. She starts receiving benefits when she is 63 and Jordan is 65. Their combined age of 128 gives a divisor of 310. When this is applied to her cost basis of 9,000 USD, 29.03 USD of the benefit is nontaxable for the first 310 payments. This amount is the same whether Penelope or Jordan is receiving the benefit.

Defining Forms

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

Access the Forms Definitions page.



Forms Definitions page

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Forms Definitions

Form Code

Select one of these values: *Certain Only Installment, Joint & Survivor Annuity, Life Annuity, Level Income Option, Last to Survive Annuity, Lump Sum, Pop Up Annuity, Reversionary Annuity,* or *Spouse Demonstration JS.*

Select *Spouse Demonstration JS* only if you indicate that contingent beneficiaries are allowed.

Certain forms require you to set additional parameters, as described in the following field definitions.

Years Certain

If you select the form code *Certain Only Installment* or you want to specify a guaranteed number of payments for any of the annuity options, enter the number of years certain.

Pct Continued (percent continued)

If the option includes a survivor benefit—for example, a joint and survivor annuity or a last to survive annuity—enter a value to indicate the survivor's continuing percentage of the original annuity.

For level income options, which have both pre- and post-social security retirement age (SSRA) amounts, any value here is applied to the post-SSRA amount.

See Chapter 27, "Defining Optional Forms of Payment," Using Form Codes, page 229.

Note. Each form must have a unique combination of values in the Form Code, Years Certain, and Pct Continued fields. Because lump sums never use a years certain or percent continued value, you can only create one lump sum form per form set.

Method

For each form in the set, select a method for determining the conversion factor: *Actuarial, Arithmetic, Constant, Table,* or *User Code.*

Actuarial Assmptn (actuarial assumption), **Custom Statement** , or **Table Lookup**

Enter a value in one of the following fields:

- Actuarial Assmptn: Enter the actuarial assumption if you select *Actuarial* as the method.
- Custom Statement: Enter a constant or an alias if you select *Arithmetic* as the method.
- Table Lookup: Select a table alias name if you select *Table* as the method.

Constant or **or Alias**

Enter a constant or an alias if you select *Constant* as the method.

Custom Statement

Enter a constant or an alias if you select *Arithmetic* as the method.

Spouse Age, Constant, or **or Alias**

If select *Arithmetic* as the method for a spouse joint and survivor demonstration optional form, in the Spouse Age field enter an alias for the spouse's age.

If you use a constant factor for your conversion, the Constant field appears in place of the Spouse Age field. Enter either:

- Constant: A constant factor. For example, you might use a constant factor of 1.0 when you set up the normal form.
- or Alias: An alias for the constant factor.

User Parameters Returned

Select an option in this group box if you select *User Code* as the method.

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Note. The table lookup, custom statement and constant methods produce an adjustment factor. They do not calculate the actual value of the form. The optional forms of payment calculation applies the factor to find the value.

Because a level income option has two values, it has a special method for applying the factor. The factor is applied to the social security amount, and the result is added to the normal benefit amount to determine the pre-SSRA value. The post-SSRA value is the pre-SSRA amount less the social security amount.

If you enter a value in the Pct Continued field for the level income option, the factor is still used as described to calculate the pre-SSRA amount, but the system uses its own algorithm (described with the LIO Parameters page) to calculate the post-SSRA amount and the survivor benefit.

See Chapter 27, "Defining Optional Forms of Payment," Entering Information About Level Income Option Forms, page 227.

Select any of these check boxes that apply to your definition:

QJSA (qualified joint and survivor) — Select this option to indicate a qualified joint and survivor option.

Spousal Consent — Select this option to indicate that a form requires spousal consent.

The QJSA and Spousal Consent options are informational. The system does not check that the option is qualified, determine whether a form requires spousal consent, or check that spousal consent has been received before making payments.

Default Form (Single) and **Default Form (Joint)** — Select one of these options to indicate the default form. Each optional form set has two default forms, one form for single participants and one for married participants. The default form is the form of payment the retiree will receive if no election is made. This differs from the normal form, which refers to the form of payment prior to the application of optional forms of payment factors.

Small Benefit Cashout — Many form sets include a lump sum form that is used only for small benefit cashouts. That is, the plan requires that benefits with a lump sum value under a specified amount must be paid in the form of a lump sum. If you create such a form, select this option. If the value is too large, the form will appear with no value on the calculation results pages or the calculation worksheet. If the value is under the threshold, however, this will be the only form available. You set the threshold value on the Lump Sum - 1 of 2 page.

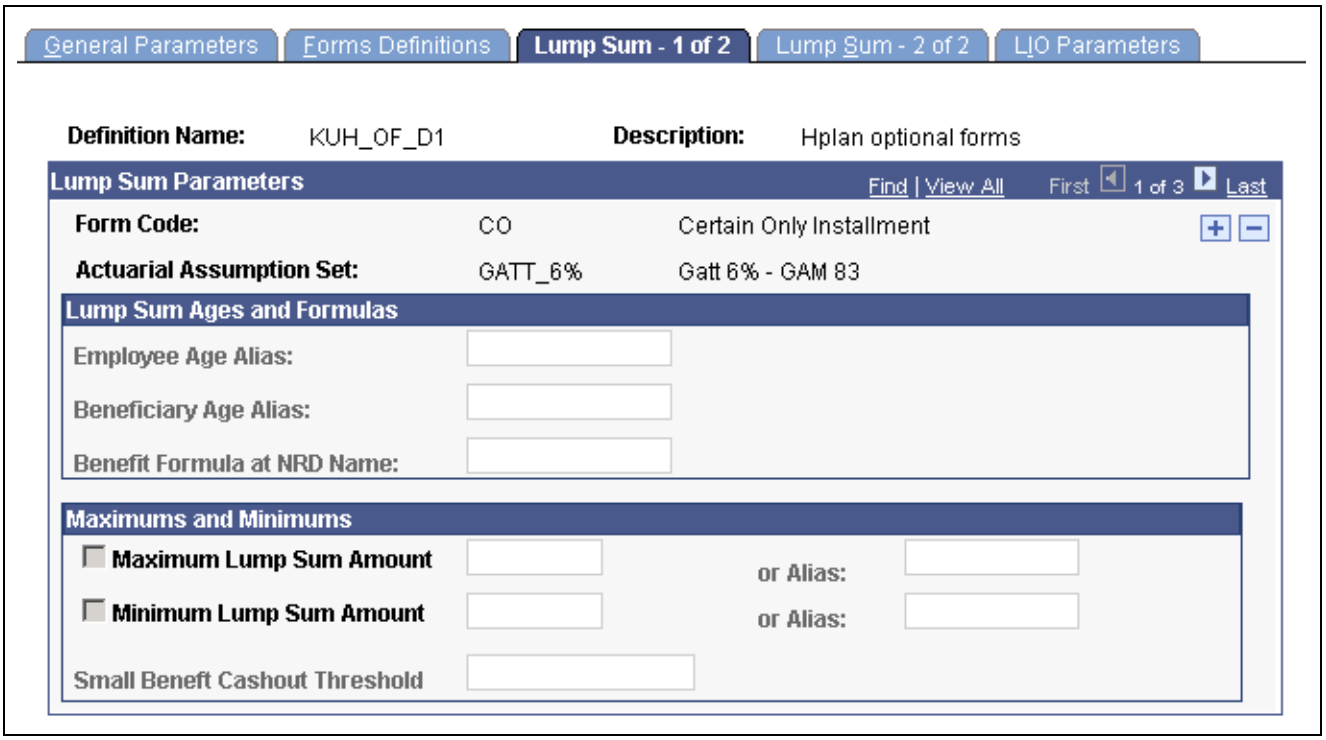
For 415 Only (Only visible for an SLA form) — The 415 limits function, which applies Internal Revenue Code limits across multiple plans, uses the optional forms of payment results as the source of its benefit information. Because the 415 limits function needs to know the single life annuity value of the benefit, any optional form set subject to 415 limits must include this form. If you do not offer an SLA option to participants (for example, if the normal form is five year certain and continuous), you still create an SLA, but you indicate that the SLA option is for 415 processing only by selecting *For 415 Only.* This prevents the form from appearing in the calculation results.

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Setting Up Lump Sum Parameters (Part 1)

Use the Lump Sum Parameters - 1 of 2 page to set alternative employee ages and apply any minimums, maximums, or small benefit cashout thresholds. Scroll through the forms you have created; the fields here are only available for lump sums.

Access the Lump Sum - 1 of 2 page.



Lump Sum - 1 of 2 page

Lump Sum Ages and Formulas

If you use an actuarial method to find the lump sum value, the system needs to know the date when the lump sum is payable. And although this documentation says that all forms in the set apply at the same date, lump sum forms present a possible exception.

You can enter a lump sum date override, typically based on the lump sum date entered into the calculation page when the calculation is run. For example, for small benefit cashouts, the lump sum is paid out upon termination rather than on a retirement date twenty years in the future.

Employee Age Alias, Beneficiary Age Alias, and **Benefit Formula at NRD Name** (benefit formula at normal retirement date name)

These options are the same as those on the General Parameters page, but the values that you enter here override the others for this form only. By entering overrides, you save yourself from having to set up a separate optional forms of payment function result for the other date or from having to run a separate calculation to get the lump sum value on a different date.

These fields are only available for lump sums calculated with an actuarial method.

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Maximums and Minimums

Maximum Lump Sum Amount and **Minimum Lump Sum Amount**

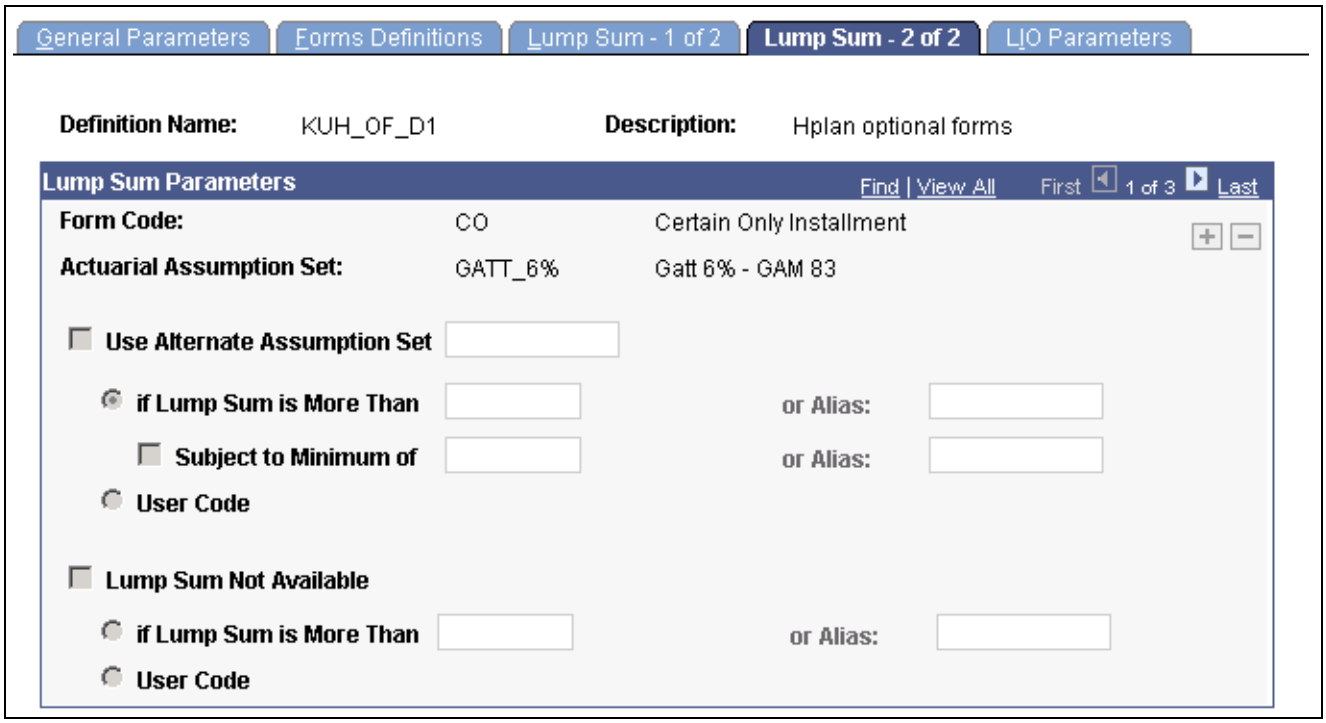
Set minimum and maximum values for the lump sum by selecting either or both of the check boxes and entering the limits. If the lump sum falls outside the range, the system still offers the form, but it adjusts the value to within the limits. You can also use an alias as the limit.

Small Benefit Cashout Threshold

On the Forms Definitions page, you can specify whether the lump sum is a small benefit cashout. That is, the plan requires that benefits with a lump sum value under a specified amount must be paid in the form of a lump sum. For such forms, indicate the threshold amount—typically 5,000 USD for plan years starting after August 1997.

Setting Up Lump Sum Parameters (Part 2)

Access the Lump Sum - 2 of 2 page.



Lump Sum - 2 of 2 page

Lump Sum Parameters

Select one of these options:

Use Alternate Assumption Set

For qualified plans, there are government regulations regarding the conversion method used for lump sums over 25,000 USD. If your actuarial conversion method does not already use acceptable assumptions, you can specify that it should in cases where the lump sum value exceeds the threshold.

To activate this option, select this check box, and enter the name of the alternate assumption in the text box. Also select one of these options:

- if Lump Sum is More Than: Select this option to use a threshold constant, and enter a constant value or an alias.

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Select Subject to Minimum of to prevent the revised lump sum from falling below the original, or any other, threshold. Enter the minimum amount or alias.

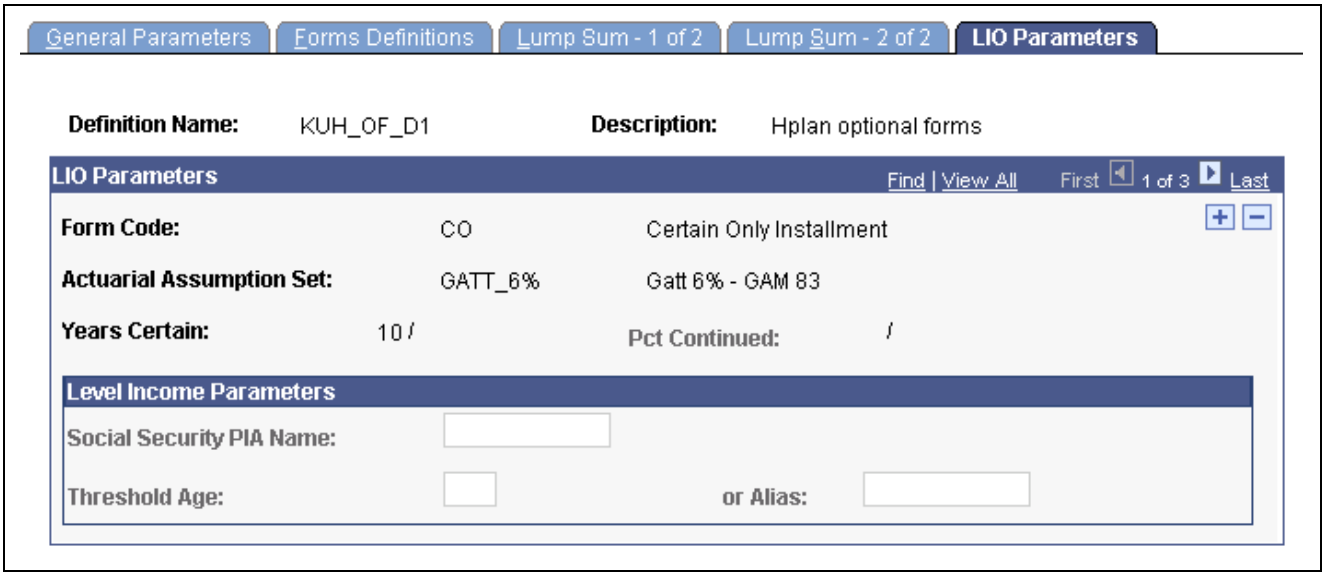
- User Code: Select this option to use an alternate assumption set under conditions other than a threshold value.

Lump Sum Not Available Select this option to make the lump sum option unavailable if it is above a specified threshold value. Also select one of these options:

- if Lump Sum is More Than: Select this option to use a threshold constant, and enter a constant value or an alias.
- User Code: Select this option to establish the conditions when the lump sum is not available.

Entering Information About Level Income Option Forms

Access the LIO Parameters page.



LIO Parameters page

Level Income Parameters

Social Security PIA Name (social security primary insurance amount name) A level income option attempts to make the combination of pension and social security benefits equal both before and after social security benefits begin by providing an increased benefit before social security retirement age and a decreased benefit afterwards. Indicate the social security function result that provides the estimated monthly social security benefit.

Threshold Age To adjust the benefit at the appropriate time, the system also needs to know the threshold age at which the social security benefit is assumed to begin. Enter either a constant age or an alias. The level income option is not available to employees older than the threshold age, and therefore does not appear in the calculation results for such employees.

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There is a system-delivered alias, SSRA_DT, that provides an employee's social security retirement date. To create a duration alias for the SSRA, use the employee's birth date (the delivered BIRTH_DT alias) and SSRA_DT as the duration endpoints.

Understanding Level Income Option Survivor Benefits

The system calculates the value of *n* percent continued level income option as follows:

1. The level income option is calculated as if it were a single life LIO, disregarding the percent continued aspect. This calculation uses the method you specified in the form definitions: actuarial, table lookup, custom statement, constant, or user code.
2. The employee's pre-SSRA amount is offset by the difference between a single life annuity and an *n* percent joint and survivor (J&S) benefit. The employee's post-SSRA amount is the difference between this pre-SSRA amount and the social security benefit.
3. The beneficiary amount is *n* percent of the employee's single life annuity benefit. There are no separate pre-SSRA and post-SSRA amounts for the beneficiary.

For example:

Form	Employee	Beneficiary	Comments
Single life annuity	1,000 USD	NA	NA
50 percent J&S (assume cost is 10 percent)	900 USD	450 USD	Cost of the J&S is 100 USD.
Single life LIO	1,750 USD pre-SSRA and 750 USD post-SSRA	NA	The assumed social security benefit is 1,000 USD.
50 percent J&S LIO	1,650 USD pre-SSRA and 650 USD post-SSRA	450 USD	• The employee's benefit is reduced by the dollar cost of the J&S. • The beneficiary amount is *n* percent of the employee's J&S benefit.

These figures are obtained through the following calculation steps:

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

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Note. In order to perform an *n* percent J&S LIO calculation, the optional form set must also include a single life annuity, an *n* percent J&S, and a single life LIO.

Using Form Codes

The form code indicates the form in which a pension is paid—for example, a certain only installment form or a joint and survivor annuity form.

The following table contains the form codes with their full names, the required options for each code, and a description of the form of payment that each code specifies.

Form Code	Options Necessary?	Description
CO Certain Only Installment	Years Certain: *Y* Pct Continued: *NA*	Amount is paid for a specified number of years and no longer. If the participant dies, any remaining payments are made to a beneficiary.
JS Joint & Survivor Annuity	Years Certain: *O* Pct Continued: *Y*	One amount is paid until the participant dies, at which time another payment—reduced to the percent continued—begins and continues until the beneficiary dies.
LIFE Life Annuity	Years Certain: *O* Pct Continued: *NA*	A periodic amount is paid for the life of the participant.
LIO Level Income Option	Years Certain: *O* Pct Continued: *O*	A monthly amount is paid. It is reduced at social security retirement age by the estimated amount of money to be received from social security.
LTS Last To Survive Annuity	Years Certain: *O* Pct Continued: *Y*	Similar to a joint and survivor annuity, except that the percent continued amount is payable to the survivor when either the retiree or the spouse dies.
LUMP Lump Sum	Years Certain: *NA* Pct Continued: *NA*	One-time payment.
POP Pop Up Annuity	Years Certain: *O* Pct Continued: *Y*	Similar to a joint and survivor annuity, except that the participant's otherwise reduced benefit "pops up" to the single life annuity level if the beneficiary predeceases the participant.

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Form Code	Options Necessary?	Description
REV Reversionary Annuity	Years Certain: *O* Pct Continued: *NA*	The entire benefit is paid as a life annuity to a beneficiary upon the retiree's death. The system's actuarial calculation of a reversionary annuity assumes that the benefit is forfeited if the beneficiary predeceases the retiree. If your plan rules differ, use a different method for calculating this optional form. If you enter a number of years certain, the certain period starts when the beneficiary begins receiving payments.
SPJS Spouse Demonstration Joint & Survivor	Years Certain: *O* Pct Continued: *Y*	No actual benefit. This is informational only to show the benefit that a spouse loses if the participant names a non-spouse beneficiary.

The following notes pertain to the table above:

- The Options Necessary? column indicates whether the Years Certain and Pct Continued options are necessary (*Y*), not applicable (*NA*), or optional (*O*).
- Any time that you specify a number of years in the Years Certain field, any payments remaining after the participant dies are paid to the beneficiary.
- There is no separate form code for certain and continuous forms of payment. You create these forms by adding years certain criteria to other forms. Typically, you add years to a single life annuity, but you may also add years to a joint and survivor form or other forms.

Using Payment Types

Each form produces payment amounts for some combination of three people: the retiree, a spouse beneficiary, and a non-spouse beneficiary.

Retiree Payment Types

The following are the retiree payment types:

Retiree Amount Amount due to the retiree. Except in the case of lump sums, this is normally a monthly amount payable until death.

Retiree Pre-SSRA Amount and **Post-SSRA Amount** Under a level income option, a retiree's benefit is higher before the retiree reaches social security retirement age and is lower afterwards when the retiree has presumably started receiving social security benefits. Therefore, LIO forms produce two separate retiree amounts, identified as the pre- and post-SSRA amounts.

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Pop Up Amount Under a pop-up form of payment, the retiree amount increases if the beneficiary predeceases the retiree. The pop-up amount is this increased retiree amount.

Beneficiary Payment Types

The following are the beneficiary payment types:

Plan Beneficiary Amount Amount payable to a spouse beneficiary on the retiree's death. This can come from two different sources: a joint and survivor form (or any form that includes a percent continued) elected by the retiree, and an automatic plan benefit for which there is no actuarial reduction.

Nonspouse Beneficiary Amount Amount payable to a non-spouse beneficiary after the retiree's death under a joint and survivor form of payment.

Spouse Demonstration JS (spouse demonstration joint and survivor) If a married retiree selects a non-spouse beneficiary, the retiree's spouse is entitled to know the amount that would have been payable to the spouse if the retiree had named the spouse as the beneficiary. This is different from the non-spouse beneficiary amount because the actuarial adjustment is based on the spouse's age rather than the non-spouse beneficiary's age.

Survivor Amount In a last to survive form, the amount due to the retiree or spouse after the other one has died.

Matching Optional Forms of Payment to Payment Types

The following table shows the payment types produced by the various optional forms of payment:

Form	No Beneficiary	Spouse Beneficiary	Non-spouse Beneficiary	Two Beneficiaries
Certain Only	Retiree Amount	NA	NA	NA
Joint and Survivor	NA	Retiree Amount Plan Beneficiary Amount	Retiree Amount Non-spouse Beneficiary Amount	Retiree Amount Plan Beneficiary Amount Non-spouse Beneficiary Amount
Life Annuity	Retiree Amount	NA	NA	NA
Level Income Option	Retiree Amount	Retiree Amount Plan Beneficiary Amount	Retiree Amount Non-spouse Beneficiary Amount	Retiree Amount Plan Beneficiary Amount Non-spouse Beneficiary Amount

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Form	No Beneficiary	Spouse Beneficiary	Non-spouse Beneficiary	Two Beneficiaries
Last to Survive Annuity	NA	Retiree Amount Survivor Amount	Retiree Amount Survivor Amount	Retiree Amount Plan Beneficiary Amount Survivor Amount
Lump Sum	Retiree Amount	NA	NA	NA
Pop Up Annuity	NA	Retiree Amount Pop Up Amount Plan Beneficiary Amount	Retiree Amount Pop Up Amount Non-spouse Beneficiary Amount	Retiree Amount Pop Up Amount Plan Beneficiary Amount Non-spouse Beneficiary Amount
Reversionary Annuity	NA	Plan Beneficiary Amount	Non-spouse Beneficiary Amount	Plan Beneficiary Amount Non-spouse Beneficiary Amount
Spouse Demonstration Joint & Survivor	NA	Retiree Amount Plan Beneficiary Amount	Retiree Amount Plan Beneficiary Amount	Retiree Amount Plan Beneficiary Amount

There are different payment forms, depending on whether a beneficiary is a spouse. In the table above, the examples in the Two Beneficiaries column indicate that there is an automatic benefit paid to the spouse when the retiree dies, and another survivor benefit paid to a non-spouse when the retiree dies.

Using QDRO with Optional Forms of Payment

If your company intends to calculate QDRO benefits using Pension Administration, be sure your plan rules support these calculations. QDRO calculations typically start with a fixed benefit amount and only run these functions: early and late retirement factors, benefit formula, and optional forms of payment. Even if there are minimal optional forms available to QDRO alternate payees, you need to have optional forms of payment results available so that the payment process has access to the payment amounts.

Because QDRO alternate payees are not permitted to make a new spouse the beneficiary of a QDRO benefit, joint and survivor forms are generally not available to QDRO alternate payees unless the plan permits non-spouse beneficiaries.

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Creating QDRO-Specific Definitions

If you offer limited optional form choices to alternate payees, you may need to use different definitions for the original employee and the alternate payee. You can handle this requirement through the system's grouping capabilities. Your function result might look like this:

Group Criteria	Definition
Regular employees	Full set of optional forms of payment
QDRO alternate payees	Reduced set of optional forms of payment

Using Aliases in QDRO Calculations

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

Important! Because the calculation is based on the QDRO payee's ID, all aliases referencing employee data are resolved based on the QDRO payee data, not the original employee. It is important to keep this in mind as you set up your plan rules.

For example, the alias BIRTH_DT would produce the alternate payee's date of birth, not the original employee's date of birth. The alias SBIRTH_DT, which normally references the birth date of an employee's spouse, is usually not valid for QDRO calculations, which typically do not incorporate any reference to a new spouse. If you want to reference the original employee's birth date in a QDRO calculation, use the special alias QDRO_EE_BD (QDRO employee birth date).

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CHAPTER 28

Applying Section 415 Limits

This chapter provides overviews of 415 limits and 415 limits processing and discusses how to create a 415 limits definition.

Understanding Section 415 Limits

This section provides an overview of 415 limits and discusses:

- Use of 415 limits results.
- Incorporation of 415 limits into a jobstream.
- Development of strategies for implementing 415 limits.

Overview of 415 Limits

There are limits placed on the amount of annual contributions that can be made on behalf of a defined contribution plan participant or the amount of benefits that can be paid to a participant in a defined benefit plan. These limits are determined under Section 415 of the Internal Revenue Code. This PeopleBook generally refers to Section 415 limits as "415 limits."

Pension Administration deals with Section 415(b) limits on the total benefit from all defined benefit plans. For historical calculations effective prior to the implementation of the Small Business Job Protection Act of 1996 (SBJPA), the system can also apply Section 415(e) limits on the amount employees can receive from defined benefit plans relative to benefits received from their defined contribution plans.

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

Use of 415 Limits Results

The 415 limits function produces a second set of optional forms results for every optional formset subject to these limits. If a limited result is present, the system uses this amount when you pay your retirees.

To see whether 415 limits were applied, compare the limited and unlimited optional forms results. Both sets of results are shown on the Review Calculation Results - Optional Forms page.

To see the actual limit, a list of the benefits subject to the limit, and the unlimited and limited amount single life annuity value of each of those benefits, go to the Review Main Results - 415 Limits page.

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363

Chapter 47, "Viewing Calculation Results," page 431

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Incorporation of 415 Limits into a Jobstream

Section 415 limits apply to multiple plans. Because the 415 limits function must process all plans together, you create a single 415 limits function result for all plans. Do not create one per plan. Create only one for the entire application.

Normally the calculation processes each plan in the order you specify on the Order Plans page. Within each plan, the calculation processes function results in the order that you specify on the Plan Implementation page. Your 415 limits function result is an important exception to this rule.

When the calculation encounters a 415 limits function result in a plan, processing for that function result is delayed. The calculation continues with any remaining processing for that plan and with any subsequent plans until it encounters a nonqualified plan (or finishes processing all plans, if all plans are qualified). At this point, the system processes the 415 limits. Nonqualified plans are processed after the 415 limits.

Note. To ensure proper 415 limits processing, order your plans so that all qualified plans run before all nonqualified plans.

When 415 limits are processed, the optional forms reflect both the limited and unlimited amounts. However, benefit formula results are not adjusted to show the limits. Because the benefit formula is not adjusted, you cannot reference the unlimited amount if you want to find the difference between the limited and unlimited benefit—for example, if you have a nonqualified plan that makes up the difference.

Because the 415 limits function always runs at a specific point in the calculation, you have some flexibility as to which plan houses your 415 limits function result. You do need to put it in one of the plans before the 415 limits processing point—that is, into one of your qualified plans.

See Also

Chapter 42, “Creating the Plan Implementation and Plan Aliases,” page 363

Development of Strategies for Implementing 415 Limits

As you set up your 415 limits, a key issue is where the 415 definition gets some of the data it needs—for example, how much participation service an employee has and what are the average earnings for the high three years.

In order to set up the 415 definition, you identify function results that provide this data. Some function results, such as the participation service, may already be part of your plan implementation. Other function results, such as the average earnings, probably have to be set up especially for 415 limits processing.

When you set up your 415 limits processing, make sure you put the 415 limits function result and all of its component function results into the same plan. There are two approaches:

- Incorporate the function results into an existing qualified plan.
- Set up a dummy plan for 415 and put all the function results there.

Incorporation of 415 Limits Processing into Existing Plans

Incorporating 415 limits processing into existing plans works best if you have a single qualified plan because elements such as “participation service” are unambiguous for a single plan, and you can reuse the plan’s existing function results. One aspect of this strategy is that you now have an extra final average earnings function result in the plan (unless the plan uses the same rules as the 415 limits), and the results from this function result appear on the calculation worksheet and in the calculation results pages. You can modify the worksheet and results pages so that they do not show this result.

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Setup of Dummy Plan for 415 Limits Processing

Implementing 415 limits processing in a dummy plan is the better strategy if the component function results are all 415-specific and cannot be borrowed from your existing plans. When you know that employees will not exceed the limits, setting up a dummy plan enables you to avoid 415 limits processing and to run 415 limits processing only for your highly compensated employees. This approach also neatly separates all the 415-specific function results from those with direct impact on the benefit.

A 415 dummy plan requires its own plan eligibility processing. One approach to setting up eligibility for the dummy plan is to blend the requirements from all other qualified plans to create a single timeline showing when an employee was eligible and ineligible for any plan. You can thus accrue participation service based on eligibility for the dummy plan.

Another approach is to reference the eligibility results from other plans. In this case, the dummy plan has to be the last qualified plan on the Order Plans page. Remember that the eligibility results from the other plans can be *Y* (yes), *N* (no), or *P* (previously eligible). Your dummy plan eligibility should pick up *Y* and *P*values. In this scenario, the dummy plan eligibility cannot build an eligibility timeline. This is because the *Y, N,* and *P* values are not effective-dated. Therefore, all employees would appear to have always been eligible for the dummy plan. This means that you cannot set up accruals based on eligible and ineligible periods of time. You have to calculate 415 participation service using another method.

Application of 415 Limits to Contributory Plans

Section 415 limits only apply to the employer-paid portion of a benefit. Because the 415 limits function obtains the unlimited amount from optional forms, you need optional forms for the employer-paid benefit.

When 415 limits are applied to the employer-paid benefit, only optional forms based on that benefit reflect the limits. A subsequent benefit formula that recombines the employee-paid and employer-paid benefits is not recalculated after 415 limits are applied, nor are any optional forms based on the total benefit amount.

Warning! The system does not support recombining employee-paid and employer-paid benefits for highly compensated employees.

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

See Chapter 8, “Setting Up Contributory Plans,” Managing Employee-Paid and Employer-Paid Benefits, page 47.

Understanding 415 Limits Processing

This section provides an overview of 415 Limits Processing and discusses:

- Finding the amounts subject to limits.
- Determining the limits.
- Applying the limits.

Overview of 415 Limits Processing

PeopleSoft’s 415 limits processing can be broken into three parts:

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- Finding the amounts subject to the limits.
- Finding the limits themselves.
- Applying the limits.

The first part happened during optional forms processing: your optional forms definitions have a flag where you mark whether the benefit is subject to the limits. The 415 definition controls the other two parts.

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

Note. The benefit amount—that is, the benefit formula function result—is not updated. It still shows the pre-415 limits amount.

Find the Amount Subject to Limits

You indicate that benefits are subject to 415 limits by selecting the Use Formset in 415 Processing check box on the Optional Forms pages.

If you have multiple benefit formulas and optional formsets representing the same benefit (for example, an early retirement benefit and a normal retirement benefit), include only one.

In a contributory plan, only the employer-paid portion of a benefit is subject to 415 limits.

Section 415 limits are always applied to the single life annuity value of a benefit. If the normal form of a benefit is not a single life annuity, be sure to include single life annuity in the optional formset. If the single life annuity is only for 415 purposes and is not an actual option for your employees, you can select the *For 415 Only* check box in the optional forms definition. This prevents the option from appearing in the calculation results.

See Also

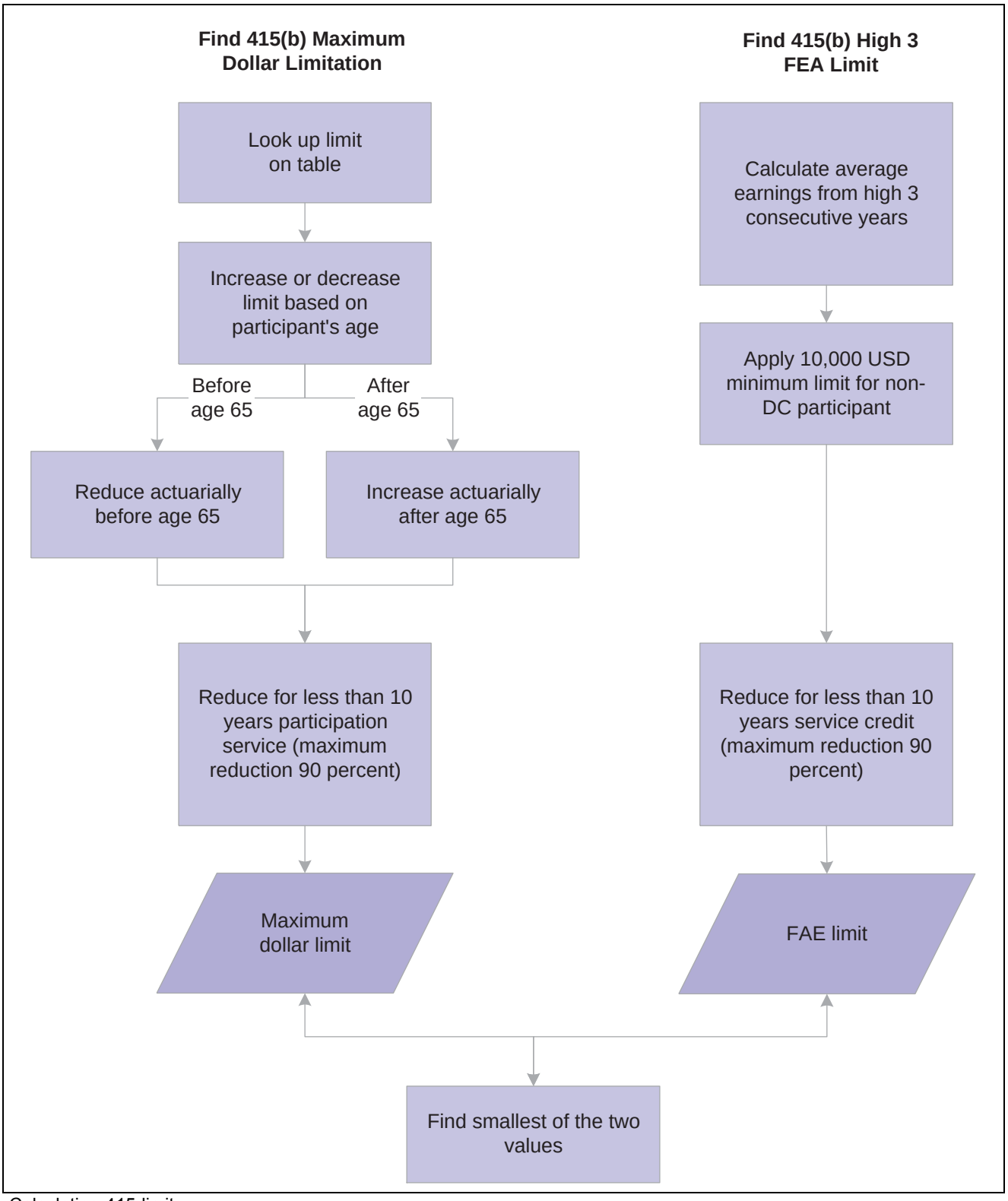
Chapter 27, “Defining Optional Forms of Payment,” page 215

Chapter 26, “Defining Employee-Paid Benefits,” page 209

Determine the Limits

This is the most complex part of the process. You can look at the 415 pages to go through all the parameters used during this stage. The following diagram summarizes the process.

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Calculating 415 limits

This calculation reflects amendments to IRC section 415 by the Small Business Job Protection Act of 1996 (SBJPA) and the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).

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Note. The acronym GUST refers to several legislative acts, including SBJPA.

Pre-amendment methodology will be applied, however, when a calculation involves a benefit commencement date occurring in a plan year that ended before January 1, 2002. For subsequent dates, ages used for actuarial increases and decreases to the 415(b) maximum dollar limit were changed by EGTRRA.

Also, SBJPA removed the 415(e) test for defined benefit plans that are secondary to defined contribution plans. Pension Administration still performs this historical calculation if both of the following are true:

- The benefit commencement date occurs in a plan year that ended before December 31, 2000, the effective date of the SBJPA change.
- You provide historical 415(e) information for the plan and the employee.

  In this case, the final 415 limit is the smallest of the historical 415(e) limit, the 415(b) maximum dollar limit, and the 415(b) high 3 FAE limit.

Apply the Limits

If the benefit (still expressed as a single life annuity) is over the limit, the system subtracts the benefit from the limit to find how much the benefit needs to be reduced. If there are multiple plans providing the benefit, you have two options for distributing the reduction: proportionately or by precedence order.

After benefits are reduced, the system converts each plan's limited benefit back to its normal form using the same optional forms rules used to convert to the single life annuity.

Limited optional forms are calculated using the same factors used by the unlimited benefit with one exception: To convert to any forms flagged "QJSA" (qualified joint and survivor annuity), the system puts the regular conversion rules aside and applies the final 415 limit directly to the unreduced QJSA amounts. If the original QJSA value is less than the 415 limit, it is retained.

Creating a 415 Limits Definition

To define a 415 limits definition, use the 415 Limits Parameters (415_LIMITS) component.

This section lists the pages used create a 415 limits definition and discusses how to:

- Set the 415 limits parameters - 1 of 3.
- Set the 415 limits parameters - 2 of 3.
- Set the 415 limits parameters - 3 of 3.

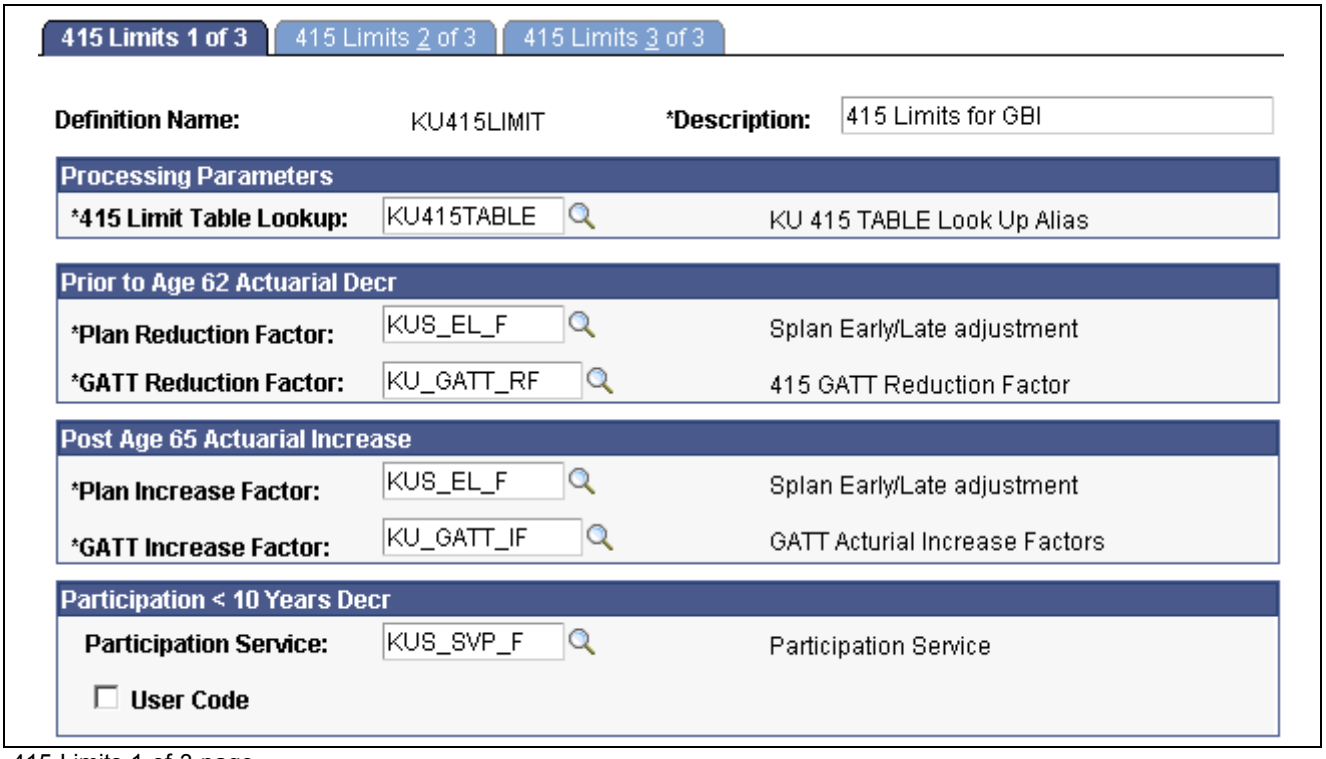
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Pages Used to Create a 415 Limits Definition

Page Name	Object Name	Navigation	Usage
415 Limits 1 of 3	PA_415_PNL	Set Up HRMS, Product Related, Pension, Components, 415 Limits Parameters, 415 Limits 1 of 3	• Define the 415(b) maximum dollar limit. • Set up the normal limit and conditions for increasing or reducing that limit.
415 Limits 2 of 3	PA_415_PNL2	Set Up HRMS, Product Related, Pension, Components, 415 Limits Parameters, 415 Limits 2 of 3	• Define the 415(b) average earnings limit for defined benefit plans. • Define the historical 415(e) limits for combined defined benefit and defined contribution plans.
415 Limits 3 of 3	PA_415_PNL3	Set Up HRMS, Product Related, Pension, Components, 415 Limits Parameters, 415 Limits 3 of 3	Establish the method for reducing the total benefit.

Setting the 415 Limits Parameters - 1 of 3

Access the 415 Limits 1 of 3 page.



415 Limits 1 of 3 page

Processing Parameters

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

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415 Limit Table Lookup Enter the table lookup for the 415 Limit table.

The table lookup you create should:

- Use the table PS_PA_TL_415_LIMIT. You can enter values in this table on the 415 Limits - 415 (b) page.
- Be defined on the Table Lookup Alias page with the Lookup Values field set to *Program Generated*. This means that the system knows the lookup value (the event year), and you do not have to set up an alias to get this value.

See Chapter 30, "Creating Table Lookup Aliases," page 257.

See Chapter 59, "Maintaining Public Tables," Maintaining Internal Revenue Code Limit Tables, page 630.

Prior to Age 62 Actuarial Decr (prior to age 62 actuarial decrease)

When an employee begins receiving benefits before age 62, there is an actuarial reduction.

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

Plan Reduction Factor and **GATT Reduction Factor** Specify both factors. The system uses the lesser of the two, thus providing the greater reduction. The factors are results from the early and late retirement factors function. Remember that early and late adjustments can produce actuarial factors, in addition to the arithmetic factors typically used for early retirement reductions.

You may need to create early and late retirement factors function results specifically for 415, or you may be able to reuse one from one of your plans. To set up the GATT or GAR94 adjustments, create an early and late retirement factors function result that uses GATT-compliant or GAR94 actuarial assumptions.

Post Age 65 Actuarial Increase

Plan Increase Factor and **GATT Increase Factor** Specify both factors. The system uses the lesser of the two, thus providing the smaller increase. You may need to create one specifically for 415, or you may be able to reuse one from one of your plans. To set up the GATT adjustment, create an early and late retirement factors function result that uses GATT-compliant actuarial assumptions.

Note. The same fields are used for late retirement limit increase calculations that use pre-EGTRRA methodology.

Participation < 10 Years Decr (participation less than 10 years decrease)

You may further reduce the 415 dollar limit when an employee has less than 10 years of participation service across all plans.

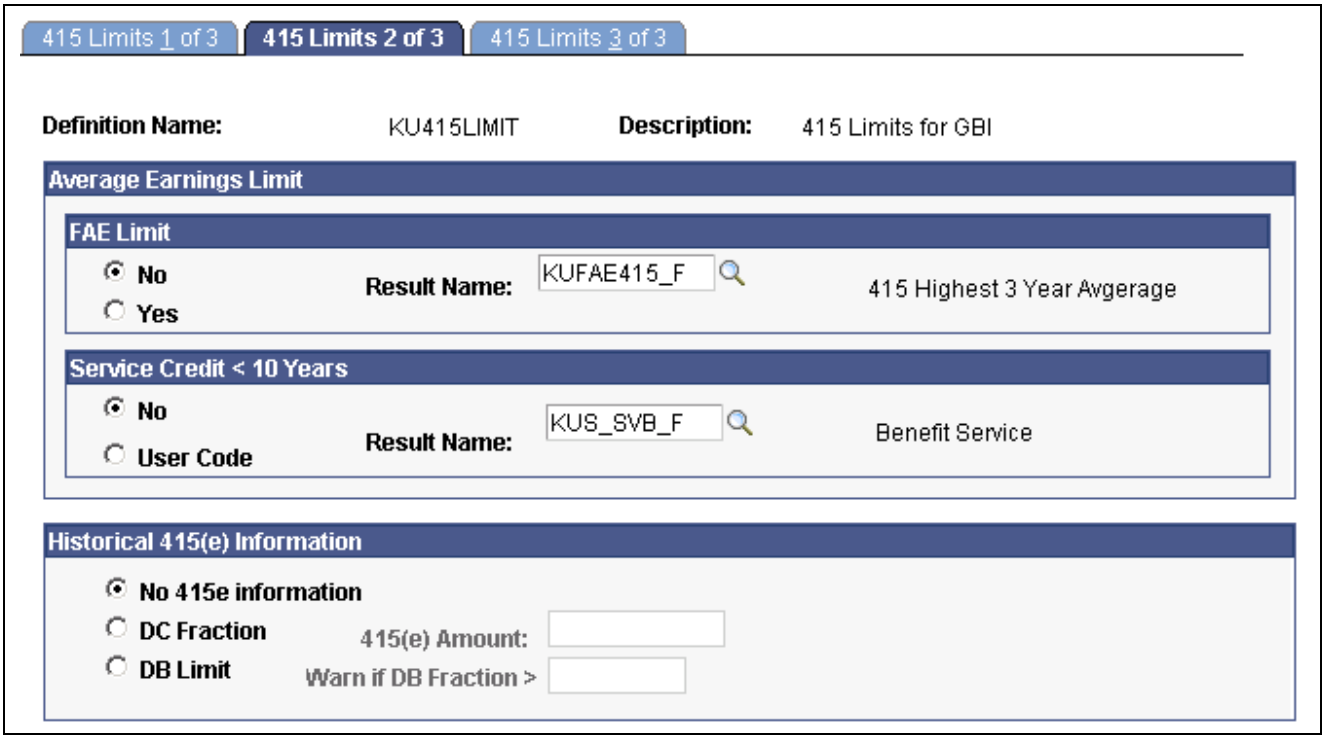
Participation Service Enter a service function result representing the accrued participation service (you may need to create one just for your 415 calculations), or enter a user code.

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When participation is less than 10 years, the system reduces the limit using a factor found by dividing the years of participation service by 10. For example, an employee with 6.5 years of participation service is subject to a limit reduction of 65 percent.

Setting the 415 Limits Parameters - 2 of 3

Access the 415 Limits 2 of 3 page.



415 Limits 2 of 3 page

FAE Limit (final average earnings limit)

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

Result Name Enter a final average earnings function result to find the 415 average earnings limit. Do not be misled by the word *final.* Set up the definition to meet the "high three" criteria required by section 415, or you can enter a user code.

See Chapter 18, "Defining Final Average Earnings," page 147.

The 415 limits are subject to a minimum of 10,000 USD for employees who have never participated in a defined contribution (DC) plan. The 415 limits function automatically applies this rule. If this minimum should not be applied for an employee, enter historical 415(e) information on this page and historical 415(e) data for the employee. 415(e) limits are processed only where historically appropriate. See the subtopic "Understanding the Historical 415(e) Calculation" for more information.

Service Credit < 10 Years

The system further reduces the 415 average earnings limit (after applying the 10,000 USD minimum) when an employee has less than 10 years of credited service across plans This service may or may not be measured the same way as the participation service used to adjust the dollar limit.

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Result Name Enter a service function result representing the accrued service. Note that the service credit is not necessarily the same as the participation service used to adjust the maximum dollar limit. Even if you sponsor multiple qualified plans, you can only enter a single service result name, so you may need to create one just for your 415 calculations. You can also enter a user code to determine service credit.

When service credit is less than 10 years, the system then reduces the limit using a factor found by dividing the years of service by 10. For example, an employee with 6.5 years of participation service is subject to a limit reduction of 65 percent.

Understanding the Historical 415(e) Calculation

Prior to its elimination by SBJPA, Section 415(e) limited the combined benefit from defined benefit (DB) and defined contribution (DC) plans. Pension Administration can calculate this historical pre-SBJPA limit when the benefit commencement date of a calculation occurs in a plan year that ends before December 31, 2000. This calculation applies only when the DC plan is primary so that benefits in excess of the limit result in a reduction to the DB plan.

The reduction is determined either by a dollar limit on the total benefit (DC + DB) or by using a "DC fraction" to calculate the upper limit on the DB benefit. The DC fraction represents the portion of the total limited benefit expected to consist of the DC benefit. Since SBJPA removed the 415(e) limit, the dollar limit and fraction are referred to here as "historical."

Because the system does not have access to DC information, your plan administrator will have to provide it. On the Historical 415(e) page, the administrator can enter either the historical DC fraction or an already-calculated historical 415(e) limit for an individual employee.

See Chapter 51, "Maintaining Employee Pension Data," page 493.

Historical 415(e) Information

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

No 415e information Select this option if you do not want the system to calculate historical 415(e) limits.

DC Fraction Select this option if you store the historical DC fraction in the system. In the 415(e) Amount field, enter an alias to the field where the historical DC fraction is stored. If you use the Historical 415(e) page PeopleSoft provides, use the delivered alias DC_FRACTN.

DB Limit Select this option if you store the precalculated limits, that is, the dollar amount of the historical 415(e) limit. In the Historical 415(e) Amount field, enter an alias to the field where this limit is stored. If you use the Historical 415(e) page that PeopleSoft provides, you use the delivered alias DB_LIMIT.

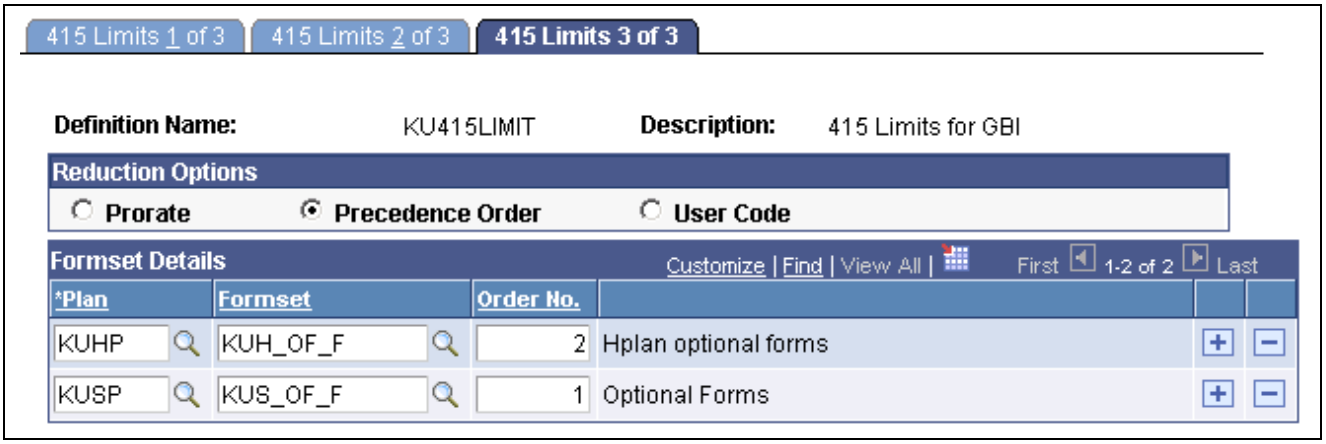
Note. You select to always use the historical fraction or to always use the historical limit. Therefore, you should remove the unused field from the Historical 415(e) page to ensure that your users do not enter information that the 415 limits function does not recognize.

Warn if DB Fraction > Enter a threshold. Pension Administration calculates the DB fraction using the final, limited benefit. You can configure the system to notify you if the DB fraction exceeds a specified threshold. The warning appears in the calculation messages and on the calculation worksheet.

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Setting the 415 Limits Parameters - 3 of 3

Access the 415 Limits 3 of 3 page.



415 Limits 3 of 3 page

When a benefit exceeds the 415 limit, you have to reduce the total benefit by reducing some or all of the component benefits.

Reduction Options

Prorate Each benefit is reduced according to what portion of the unreduced benefit comes from that plan. For example, if a benefit has to be reduced by 10,000 USD, and Plan A supplied 50 percent of the unreduced benefit while Plans B and C each provided 25 percent of the unreduced benefit, then the Plan A benefit is reduced by 5,000 USD (50 percent of the 10,000 USD reduction) and the Plan B and C benefits are each reduced by 2,500 USD (25 percent of the 10,000 USD reduction).

Precedence Order Select this option to assign a priority to each benefit. The first benefit is reduced first, any remaining reduction is subtracted from the second benefit, and so on until the entire reduction amount is applied. To assign a precedence order, you first list the benefits that might be reduced. You identify a benefit by plan and formset, the optional forms function result.

User Code Select this option to use customized code.

Formset Details

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

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CHAPTER 29

Using Database Aliases

This chapter provides an overview of database aliases and discusses how to:

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

Understanding Database Aliases

Much of the information used by the pension calculation is in your PeopleSoft Enterprise Human Resources database. To reference information, you need to identify the database table and field where it is stored.

The database alias utility enables you to assign a name to a field. You can then use this user-assigned name, or *alias,* whenever you want to reference the information in the field.

You can set up database aliases to fields in an employee's personal data record, job data record, or any other record that is appropriately keyed. A database alias must be keyed by one or more of these fields: employee ID, effective date, and plan. When a field is keyed by plan, the system recalculates the field value as you calculate each plan.

PeopleSoft delivers a number of predefined aliases for fields that most customers need to reference. PeopleSoft also delivers a number of special database aliases to reference data not normally available but often used by pension plans. For example, there are several aliases to reference calculation-specific information, such as the event date and the benefit commencement date. There are also some calculated database aliases, such as social security retirement age (SSRA), which varies based on employee birth date.

Setting Up a Database Alias

To set up a database alias, use the Database Alias (ALIAS_PROCESSING) component.

This section lists the page used to set up a database alias and discusses how to create a database alias.

Page Used to Set Up a Database Alias

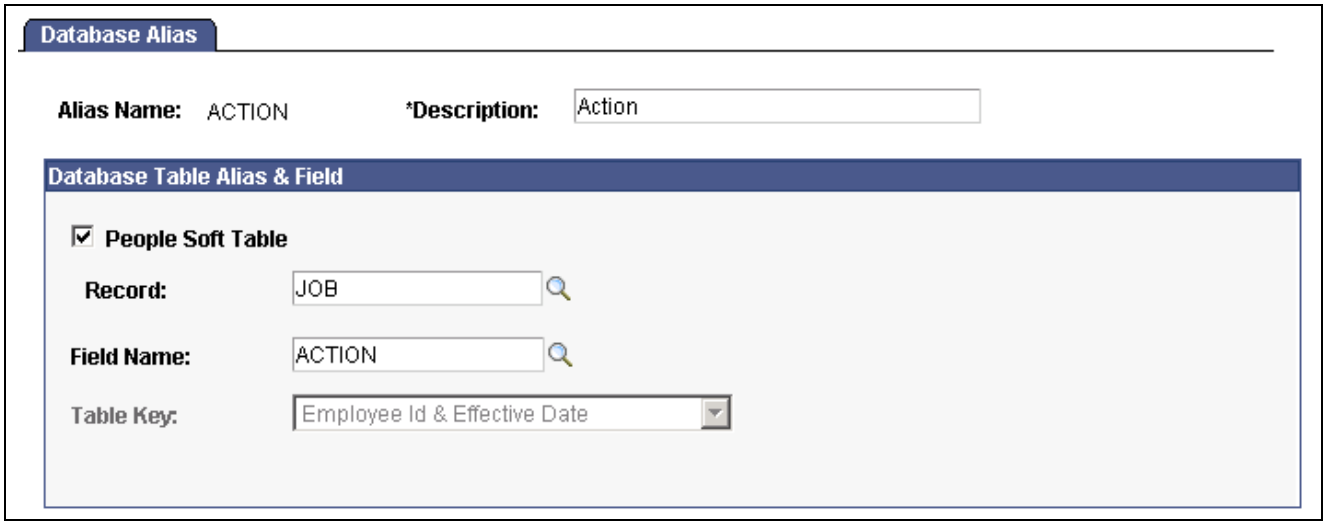
Page Name	Object Name	Navigation	Usage
Database Alias	PA_ALIAS_ENTRY	Set Up HRMS, Product Related, Pension, Variable Definitions, Database Alias, Database Alias	Set up a database alias.

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Creating a Database Alias

The database alias utility can fetch a value from any appropriately keyed table—that is, a table that is keyed by one or more of these fields: employee ID, effective date, and plan.

Access the Database Alias page.



Database Alias page

Database Table Alias & Field

People Soft Table Select this option if the field is on a PeopleSoft table.

If you select People Soft Table, Record appears as the next field.

If you do not select People Soft Table, Table Name appears as the next field.

Record or **Table Name** You can reference any table or view where data is appropriately keyed.

Warning! Selecting from joined tables can severely impact performance. PeopleSoft strongly discourages you from selecting fields from views that join multiple tables.

Type the name of a table or record.

Record prompts against all PeopleSoft tables.

Table Name also prompts against all PeopleSoft tables. After you enter a table name, Field Name prompts against all fields in that table.

When you type the name of a PeopleSoft table or record, do include the *PS_* prefix.

Field Name Select the name of the field in the table.

Table Key Indicates the field or fields on which the table is keyed. After you enter the record or table name, the Table Key field becomes unavailable for entry. The system analyzes the table's key structure and provides this information for you.

Multiple Jobs The Multiple Jobs group box appears when the record is PA_PEN_SVC_STAT. Select values in theAssociated Plan and Service Function Result fields.

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Warning! The system does not prevent you from referencing tables with keys other than those the database alias supports. Be diligent about analyzing the keys for an alias field. If you reference a table that has additional keys, the alias can produce unpredictable results.

Overview of Alias Processing

This section provides an overview of alias processing and discusses how to:

- Assign an alias to the JOB table.
- Use database aliases with multiple jobs.
- Use aliases when tables have extended key structure.
- Resolve an alias when no data exists.

Understanding Alias Processing

In most cases, the system resolves an alias by looking up data on an appropriately keyed table. However, the processing is more involved when you use an alias:

- With the JOB table.
- With multiple jobs.
- When tables have extended key structure.
- When no data exists.

These situations are discussed in the following topics.

Assigning an Alias to the JOB Table

An important exception to the database alias key restrictions is the JOB table, which is keyed by employee ID, effective date, job number (Rcd#), and sequence number.

If an employee has multiple job records in a single job environment, a lookup alias finds the value from the first job record. All other job records are ignored, except in the case of multiple jobs processing, when the single job environment has been cleared.

Because the JOB table uses sequence number as an additional key field, you can enter multiple personnel actions on the same day, but specify an order for the actions. When you create an alias for a field on the JOB table, the system automatically uses the row with the last sequence number. This means the alias uses the final value for that date.

For example, if Fred receives a regular pay increase and a merit increase during his review, an alias to his compensation rate finds the final rate, after both increases have been applied.

Using Database Aliases with Multiple Jobs

When you use multiple jobs processing, database aliases are assigned according to the primary job record. For example, if you reference an employee's pay rate, the pay rate from the primary job record is returned.

See Chapter 10, "Defining the Primary Job," page 57.

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Multiple Jobs Considerations for Database Table Alias and Field

To access the service function result status of accruing or not accruing:

1. Select *People Soft Table.*
2. Enter *PA_PEN_SVC_STAT* in the Record field.
3. Enter *Status* in the Field Name field.
4. Select the Associated Plan and the Service Function Result in the Multiple Jobs group box.

Using Aliases When Tables Have Extended Key Structure

Normally, you only use database aliases when a field is on a table that is keyed by some combination of employee ID, effective date, and plan. If there are additional keys, you would not normally be able to use a database alias. You've already looked at one exception to this rule, the JOB table. There is also a workaround for getting to other inappropriately keyed tables.

When a table has another key structure, you can create an appropriately keyed view with the needed information. For example, the benefit program participation table, BEN_PROG_PARTIC, is keyed by employee ID, record number, COBRA event ID, and effective date.

To create an alias to the BENEFIT_PROGRAM field on this table, you create a view containing only three fields: the allowable keys, EMPLID and EFFDT, and the field you need to access, BENEFIT_PROGRAM.

The select statement for your view does the work of getting the right row when there are multiple rows with the same EMPLID and EFFDT—in this case, by only selecting records where the employee record number is zero and the COBRA event ID is blank.

The SQL statement in this example is:

```
SELECT EMPLID,
EFFDT,
BENEFIT_PROGRAM
FROM PS_BEN_PROG_PARTIC
WHERE EMPL_RCD#=0
AND COBRA_EVENT_ID = ' '
```

Now, to set up an alias for this field, you reference the view instead of the original table.

Resolving an Alias When No Data Exists

The PERSON, PERSON_NAME, PERSONAL_DT_FST, and JOB tables always have rows for every employee who has completed the hire process. Other tables, however, may not contain rows for all your employees. For example, if you create a custom table to record effective-dated union code information, employees who have never belonged to a union do not have a row on the table.

If you create an alias to such a table and the system can't find a row for a particular employee, the alias takes a default value, depending on the field type:

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Alphanumeric fields	Default to space.
Numeric fields	Default to zero.
Date fields	Do not default. Default processing ends with an error when there is no row for an employee.

To prevent an error in the case of a date field, you can create rows for all employees. You might consider creating a workflow process that creates a row when an employee is first hired. For example, if you have a custom table that tracks employees' leave statuses, an employee that has never been on leave does not have any entries in this table. You could use PeopleSoft Workflow to create a row when the employee is hired. You would probably use the hire date in this particular table.

Using Predefined Database Aliases

Most pension plans need certain common aliases, such as employee date of birth. The following table shows the database aliases that are supplied with the system.

Lookup Aliases

The following aliases have no special processing logic; they simply reference the value in the indicated field.

Alias	Field	Table
ACTION	ACTION	JOB
ACTION_DT	ACTION_DT	JOB
ACTION_RE	ACTION_REASON	JOB
BIRTH_DT	BIRTHDATE	PERSON
CHG_PCT	CHANGE_PCT	JOB
DB_LIMIT	DB_415E_LIMIT	PA_DC_FRACT
DC_FRACTN	DC_FRACTION	PA_DC_FRACT
DEATH_DT	DT_OF_DEATH	PERSON
DEPT_ID	DEPTID	JOB

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Alias	Field	Table
EMPL_CLASS	EMPL_CLASS	JOB
EMPL_ID	EMPLID	JOB
EMPL_NAME	NAME	PERSON_NAME
EMPL_STAT	EMPL_STATUS	JOB
EMPL_TYPE	EMPL_TYPE	JOB
FORP_TIME	FULL_PART_TIME	JOB
HIRE_DT	HIRE_DT	EMPLOYMENT
JOBCODE	JOBCODE	JOB
MARSTAT	EFFDT	PERSONAL_DT_FST
MARSTAT_DT	MAR_STATUS_DT	PERSONAL_DT_FST
OFFICER_CD	OFFICER_CD	JOB
OHIRE_DT	ORIG_HIRE_DT	PERSONAL_DT_FST
REG_TEMP	REG_TEMP	JOB
SBIRTH_DT	BIRTHDATE	DEPENDENT_BENEF
QDRO_FLAG	QDRO_IND_YN	PA_QDRODAT
SEX	SEX	PERSONAL_DT_FST
STD_HOURS	STD_HOURS	JOB
UNION_CD	UNION_CD	JOB_LABOR

Calculation Input Aliases

The following aliases are specially configured to reference calculation parameters, rather than employee data.

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Database Alias	Field	Table
BENCOM_DT	BEN_CMDT_DATE	PS_PA_CLC_PLN_INPT
EVENT_DT	EVENT_DT	PS_PA_CALCULATION
EVENT_RSN	CALC_REASON	PS_PA_CALCULATION
LUMPS_DT	LUMP_SUM_DT	PS_PA_CALCULATION

Calculated Aliases

The following aliases provide enhanced access to data through special calculation logic.

Alias	Field	Table
BENEF_DOB See Chapter 29, "Using Database Aliases," Using Beneficiary Aliases, page 254.	BIRTHDATE	PA_CB_DOB_VW
BENEF_REL See Chapter 29, "Using Database Aliases," Using Beneficiary Aliases, page 254.	RELATIONSHIP	PA_CB_DOB_VW
BENEF_SEX See Chapter 29, "Using Database Aliases," Using Beneficiary Aliases, page 254.	SEX	PA_CB_DOB_VW
PLAN_ELIG See Chapter 29, "Using Database Aliases," Using the Plan Eligibility Alias, page 254.	ELIG_STATUS_PA	PA_PELG_EMP_HST
QDRO_AMT See Chapter 29, "Using Database Aliases," Using QDRO Aliases, page 255.	QDRO_AMT	PA_QDRO_AMT

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Alias	Field	Table
QDRO_FLAG See Chapter 29, "Using Database Aliases," Using QDRO Aliases, page 255.	(none)	(none)
QDRO_EE_BD See Chapter 29, "Using Database Aliases," Using QDRO Aliases, page 255.	QDRO_EE_BD	PERSON
SSR DATE	(none)	(none)

Using Beneficiary Aliases

Pension Administration supports non-spouse beneficiaries. You record non-spouse beneficiaries on the Pension Plan Beneficiaries page. If you do not record a beneficiary, the system assumes that the spouse is the beneficiary.

The three beneficiary aliases incorporate special corporation logic to determine who the beneficiary is, then to look up specific information about that beneficiary: birth date, relationship to the employee, and gender. The beneficiary information ultimately comes from the dependent and beneficiary table (DEPENDENT_BENEF).

If there is no beneficiary or spouse on record, these aliases do not have values.

See Also

Chapter 51, "Maintaining Employee Pension Data," Maintaining Pension Beneficiary Data, page 516

Using the Plan Eligibility Alias

The plan eligibility function result produces a single eligibility status: *Eligible, Ineligible,* or *Previously Eligible.* However, the PLAN_ELIG alias accesses the effective-dated eligibility history produced during eligibility calculations. Referencing this history enables you to set up different processing for employees during periods of ineligibility (for example, interest-only processing of cash balance accounts).

Associated with this alias are two delivered group custom statements:

Custom Statement	Description
PA_ELIG	Employee is eligible for a plan.
PA_INELIG	Employee is not eligible for a plan.

You do not explicitly use the PLAN_ELIG alias or either of the custom statements; instead, you use a shortcut for applying it. When you set up function results, you can incorporate eligibility criteria by choosing whether a definition applies to eligible periods, ineligible periods, or both.

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When you select *Eligible* or *Ineligible,* the system automatically applies the appropriate custom statement to any existing grouping criteria.

See Also

Chapter 41, "Setting Up Function Results," page 353

Using QDRO Aliases

When you run a calculation for a QDRO alternate payee, QDRO_AMT is the amount recorded for that person under the specified plan.

When you run a calculation for an employee, QDRO_AMT is the sum of all amounts recorded against that person under the specified plan.

For example, John has two ex-spouses. Sophia is entitled to 2,000 USD of his benefit from Plan A; Vanessa is entitled to 1,000 USD from plan A and 500 USD from plan B. The QDRO_AMT has the following values, depending on whose calculation is running and which plan is being processed:

Person	Plan A	Plan B
John	3,000 USD	500 USD
Sophia	2,000 USD	-
Vanessa	1,000 USD	500 USD

The QDRO_FLAG alias returns the COURT_DOC_ID.

The QDRO_EE_BD alias is only valid when you run a calculation for a QDRO alternate payee. It provides the birth date of the original employee. For example, during calculations for Sophia and Vanessa, this alias would provide John's birth date. During calculations for John, this alias does not have any value.

Using the Social Security Alias

The alias SSR_DT calculates, rather than looks up, an employee's social security normal retirement date based on the employee's birth date and the following social security normal retirement age table:

Year of Birth	SSNRA
1937 and before	65 years
1938	65 years, 2 months
1939	65 years, 4 months
1940	65 years, 6 months

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Year of Birth	SSNRA
1941	65 years, 8 months
1942	65 years, 10 months
1943 - 54	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 and later	67 years

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CHAPTER 30

Creating Table Lookup Aliases

This chapter provides an overview of table lookups and discusses how to:

- Create a physical table.
- Set up a table lookup alias.

Understanding Table Lookups

This section provides overviews of:

- How table lookups work.
- Regular table lookups.
- Program-generated table lookups.

How Table Lookups Work

Pension plans can use tables for actuarial factors, interest rates, and regulatory information (such as the taxable wage base and the 401(a)(17) and 415 limits).

Tables can also be used to look up unknown information corresponding to other, known information. For example, you can look up the social security normal retirement age (SSRA) that corresponds to an employee's date of birth.

To use the Pension Administration table lookup, you have to create the lookup table.

In its most basic form, a table lookup finds a value corresponding to another known value, which is called the *lookup basis*. For example, a code might assign numbers to each letter in the alphabet. You can then decipher numeric messages by looking up the letters that correspond to the numbers.

Lookup Basis	Value
1	A
2	B
3	C
4	D

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When you look up information on a pension table, the lookup basis is either an employee variable or a date. For example, you look up an early retirement factor based on an employee's age, and you look up federal midterm rates based on a date.

A table lookup consists of two parts:

- The physical table where you store the information.

  This table must conform to strict requirements regarding the number of columns and what is in each column.
- The instructions for using the table.

  These are the parameters you set up on the Table Lookup Alias page. They include:

  - Information about the lookup basis.

    For example, if you're looking up an early retirement factor based on an employee's age, you have to provide an alias for the age.
  - Parameters for handling situations where the lookup basis is not on the table.

    For example, an employee's benefit commencement age is 62.25, and the table includes only whole numbers. The table lookup settings tell the system whether to use the early retirement factor that corresponds to age 62 or age 63.

There are two types of table lookups:

- A *regular table lookup* has one result that is constant throughout a calculation.
- A *program-generated lookup* has different values at different times—for example, an interest rate that changes over time.

Regular Table Lookups

A regular table lookup locates information based on an unchanging data value. For example, it can look up a social security retirement age based on an employee's date of birth, and an early retirement factor based on an employee's benefit commencement age.

The lookup basis—for example, the birth date or benefit commencement age—is an alias that is resolved once per calculation. When you set up a regular table lookup, you put this alias directly into the table lookup parameters.

When you set up a regular table lookup on the Table Lookup Alias page, set Lookup Values to *Use Alias.*

Program-Generated Table Lookups

When you apply interest rates or grant cash balance credits, you may need to look up information that varies from period to period. For example:

- If you use federal midterm rates for interest on employee contributions, you need to look up the new rate every period.
- If cash balance credits are determined at a different rate for earnings above and below the taxable wage base (TWB), you need to look up the new TWB every period.
- If cash balance credits increase based on an employee's age, service, or both, you have to look up the age and service values every period.

In these situations, the function that requires the lookup knows the dates to use for the lookup, and therefore it provides the lookup basis. Such lookups are classified as program-generated because the program provides the lookup basis. When you set up table lookup parameters, you do not enter a lookup basis.

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Applying 401(a)(17) limits also requires looking up limits every period. PeopleSoft delivers pre-configured program-generated lookups to use with 401(a)(17):

- The *TRA86* lookup uses the TRA'86 Limits table.
- The *OBRA93* lookup uses the OBRA'93 Limits table.

You can examine both of these lookups on the Table Lookup Alias page.

When you set up a program-generated table lookup on the Table Lookup Alias page, set Lookup Values to *Program Generated.*

See Also

Chapter 29, "Using Database Aliases," page 247

Creating a Physical Table

This section provides overviews of delivered tables, table lookup requirements, and sequence numbers and discusses how to:

- Set up two-dimensional tables.
- Plan the lookup data.

Understanding Delivered Tables

Pension Administration provides several tables you might incorporate into a table lookup, including the Taxable Wage Base table, 415 Limits tables, and some interest rate tables. You may want to create other tables, as well, for plan factors, interest rates, or other information.

You use Application Designer to create any custom user tables. You can also use Application Designer to create a page to maintain the data. If you do not create a page for your table, you have to enter the data using a database tool, such as SQLTalk.

Understanding Lookup Table Requirements

As you create tables to be used by the table lookup utility, consider the following restrictions:

- The names of tables created by using Application Designer have the *PS_* prefix. The names of tables not created by using Application Designer must begin with the *PA_TL_* prefix.
- The first column must be an effective date field. Although many tables have only one effective date (with new data always being added under the same effective date), the field is still expected.
- The second column name must be *TL_SEQ_NUM.* This column contains sequencing information for the table and must be a key for the table.
- The next column or columns must contain the lookup basis. One-dimensional lookups use one column for the lookup basis; two-dimensional lookups use two columns for the lookup bases.
- The final column must have the result value.
- All numerics must be set up as decimals.

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Understanding Sequence Numbers

The sequence number controls the order in which the table rows are read into the program. For example, a taxable wage base table might look like this:

Sequence Number	Year	Wage Base
5	1930	1938
10	1931	2000
15	1932	4938
..	..	..

If instead this table uses sequence number 15 for 1931 and 10 for 1932, the table lookup may give unexpected results.

Warning! You must explicitly order your table values using the Sequence Number field. The table lookup utility relies on this sequence number and does not otherwise sort the lookup values.

Note. PeopleSoft recommends that you leave gaps between the sequence numbers. Then if it becomes necessary to insert new rows between existing rows, you do not have to alter the sequence numbers in the subsequent rows.

Setting Up Two-Dimensional Tables

A two-dimensional table has two lookup bases. You can picture it as a grid. For example, you could use the following grid to look up information based on both age and service:

Age	5 Years Service	10 Years Service	15 Years Service
55	A	B	C
60	D	E	F
65	G	H	I

You create two-dimensional tables with two columns of lookup values: lookup one and lookup two. Set up the table with all rows for the first lookup one value, all rows with the next lookup one value, and so on.

For example, a two-dimensional lookup table is shown below. Lookup one is age, and lookup two is service. Following the example shown above, the lookup one values are set up as follows: all the service values for age 55, all values for age 60, then all values for age 65. The final table would look like this:

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Seq Number	Age	Service	Result
5	55	5	A
10	55	10	B
15	55	15	C
20	60	5	D
25	60	10	E
30	60	15	F
35	65	5	G
40	65	10	H
45	65	15	I

Planning the Lookup Data

When you set up instructions for looking up data on a table, you specify an interpolation method for handling values that are not on the table. When you deal with intermediate values, the instructions depend on how you set up the data.

Suppose you look up social security retirement age based on an employee's date of birth. The following example shows a table you could use to determine SSRA when adjusting 415 limits, but not for social security calculations:

Birth Date	415 SSRA
1937 and earlier	65
1938 to 1954	66
1955 and later	67

Note. For simplicity's sake, this example uses a table without the two-month increments in the SSRA.

When you enter data in the table, you can only have one birth date per row. You cannot use a range such as "1937 and earlier." However, you do not want to enter every possible birth date in the range.

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Assume that your interpolation method tells the system to use the next lower value on the table for intermediate birth dates. You can also have the system use the smallest and largest values on the table as the minimum and maximum. Based on these options, you would set up the table as follows:

Birth Date	415 SSRA
December 31, 1937	65
January 1, 1938	66
January 1, 1955	67

When you use the lower value, birth dates between January 1, 1938 and December 31, 1954 use the value for January 1, 1938.

If your interpolation method specifies that the system should use the next higher value for intermediate birth dates, your table would be as follows:

Birth Date	415 SSRA
December 31, 1937	65
December 31, 1954	66
December 31, 1955	67

When you use the higher value, birth dates between January 1, 1938 and December 31, 1954 use the value for December 31, 1954.

Setting Up a Table Lookup Alias

To set up a table lookup alias, use the Table Lookup Alias component (TABLE_LOOKUP).

This section provides an overview of the page used to set up a table lookup alias, lists the page used to set up a table lookup alias, and discusses how to specify tables to search and return values.

Understanding the Page Used to Set Up a Table Lookup Alias

Use the Table Lookup Alias page to set up a table lookup alias for searching a table. This enables you to search the table, based on one or two lookup values, and return one or more table values.

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Page Used to Set Up a Table Lookup Alias

Page Name	Object Name	Navigation	Usage
Table Lookup Alias	PA_TBL_LOOKUP	Set Up HRMS, Product Related, Pension, Variable Definitions, Table Lookup Alias, Table Lookup Alias	Set up a table lookup alias for searching a table.

Specifying Tables to Search and Returning Values

Access the Table Lookup Alias page.

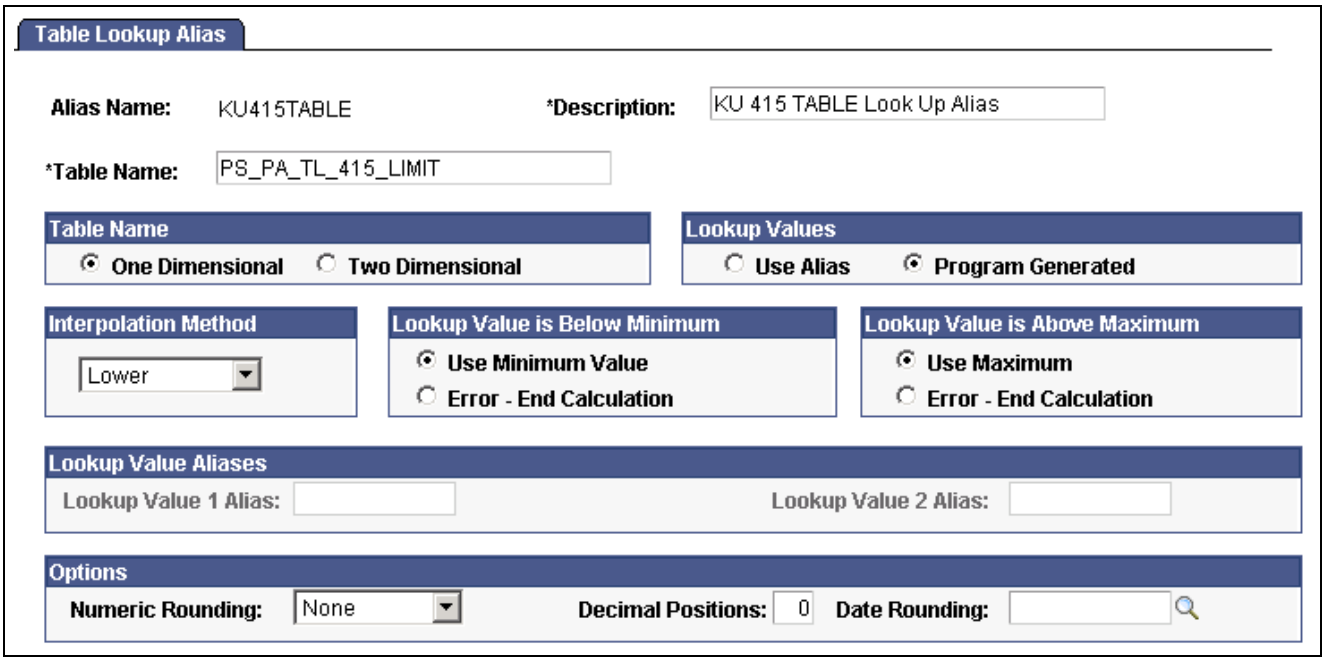


Table Lookup Alias page

Table Name Enter the name of the table that stores the information you want to search. The table name must begin with *PS_PA_TL_*.

Table Name

One Dimensional or **Two Dimensional**

Select One Dimensional to look up the result based on a single lookup value—for example, to look up the social security retirement age, based on the date of birth.

Select Two Dimensional to look up the result based on two lookup values—for example, to look up the factor that converts a single life annuity to joint and survivor, based on both the participant age and the beneficiary age.

Lookup Values

Use Alias Select to indicate a regular table lookup, which looks up information once.

Program Generated Select to indicate a program-generated table lookup, which looks up information for each period.

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Interpolation Method

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

For example, for the following social security retirement age table, select *Lower.* To look up the SSRA for someone born August 16, 1944, you would find the next lowest value on the table, January 1, 1938, and use the associated SSRA.

Birth Date	SSRA
December 31, 1937	65
December 31, 1954	66
December 31, 1955	67

In another example, for the following hours-to-service table select *Linear.* Then 1000 hours is worth .5 years of service. If you use any other interpolation method, you probably need additional rows in the table.

Hours	Service
500	.25
2000	1.00

Lookup Value is Below Minimum and Lookup Value is Above Maximum

Each or these group boxes offers a choice between taking the lowest (or highest) value and ending the calculation with an error. For the SSRA example, select Use Minimum Value and Use Maximum Value. For other tables, you might select Error - End Calculation.

Lookup Value Aliases

For a regular table lookup—that is, if you choose Use Alias to find the lookup values—you have to specify the lookup value aliases. To look up SSRA, the lookup basis is the employee's birth date, accessed through the database alias BIRTH_DT. The same principle applies to all table lookups that are not program generated: The lookup basis is always another alias. If you set up a one-dimensional table, you only specify a value in Lookup Value 1 Alias. If you are setting up a two-dimensional table, you also need to specify a value in Lookup Value 2 Alias.

Options

Numeric Rounding Select the rounding method the system is to use if the lookup produces a number:

- *None:* Numbers are truncated after the specified number of decimals.
- *NumRndUp:* Numbers are rounded up or down, based on the following decimal position.

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The following table compares the behavior of the two rounding settings. These examples assume that the final value has two decimal positions.

Number	No Rounding (Always Truncates)	Round Up (Rounds Up or Down)
5.444	5.44	5.44
5.555	5.55	5.56
5.666	5.66	5.67

Decimal Positions For both numeric rounding options, None and NumRndUp, enter the number of decimal positions.

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

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CHAPTER 31

Using Date Aliases and Date Options

This chapter provides overviews of date aliases and options, and raw and decimal dates, and discusses how to:

- Use date aliases.
- Use dates in pension calculations.

Understanding Date Aliases and Options

Dates are elemental to pension calculations. The date of birth, date of hire, normal and early retirement dates, and benefit commencement date are just some of the important dates you use.

Dates stored in the database are accessible using database aliases. Many other dates, however, are derived rather than stored. For example, normal retirement date may be the participant's 65th birthday or the first of the month following that birthday.

Date aliases enable you to derive dates using your plan's date math and rounding rules. Date aliases support a number of different types of date manipulations.

Understanding Raw and Decimal Dates

You can work with dates in either raw or decimal formats.

The *raw date format* expresses a date in years, months, and days, as in December 15, 2003. The format of a date can change (for example, when you perform certain date math, you use the format *yyyy/mm/dd);* regardless, any date expressed in terms of years, months, and days is a raw date.

The *decimal date format* represents a raw date in years-only format. The months and days are converted to partial years. For example, July 1, 2002, can be expressed as 2002.5000. You might convert dates to a decimal format to simplify date subtraction and thus determine the length of time between two dates.

Unless you specifically convert a date to the decimal format using the date conversion option, you can assume that the dates you deal with are raw dates.

Using Date Aliases

Date aliases calculate dates by:

- Adding a period of time to one date to calculate another.

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- Applying date rounding options.
- Applying date conversion options.
- Finding the date associated with a specific amount of service accrual.

You can only perform one operation per definition. Any combination of actions requires multiple date definitions. For example, to find the first of the month after an employee reaches age 21, set up one date alias to add 21 years to the employee's date of birth, and set up a second date alias to round that value to the first of the following month.

Using Dates in Pension Calculations

To use dates in pension calculations, use the Date Alias (DATES), Date Round (DATE_ROUNDING_OPTI), and Date Conversion (DATE_CONVERSIONS) components.

This section lists the pages used to use dates in pension calculations and discusses how to:

- Manipulate dates.
- Set the date round option.
- Convert dates.
- Review sample conversions.

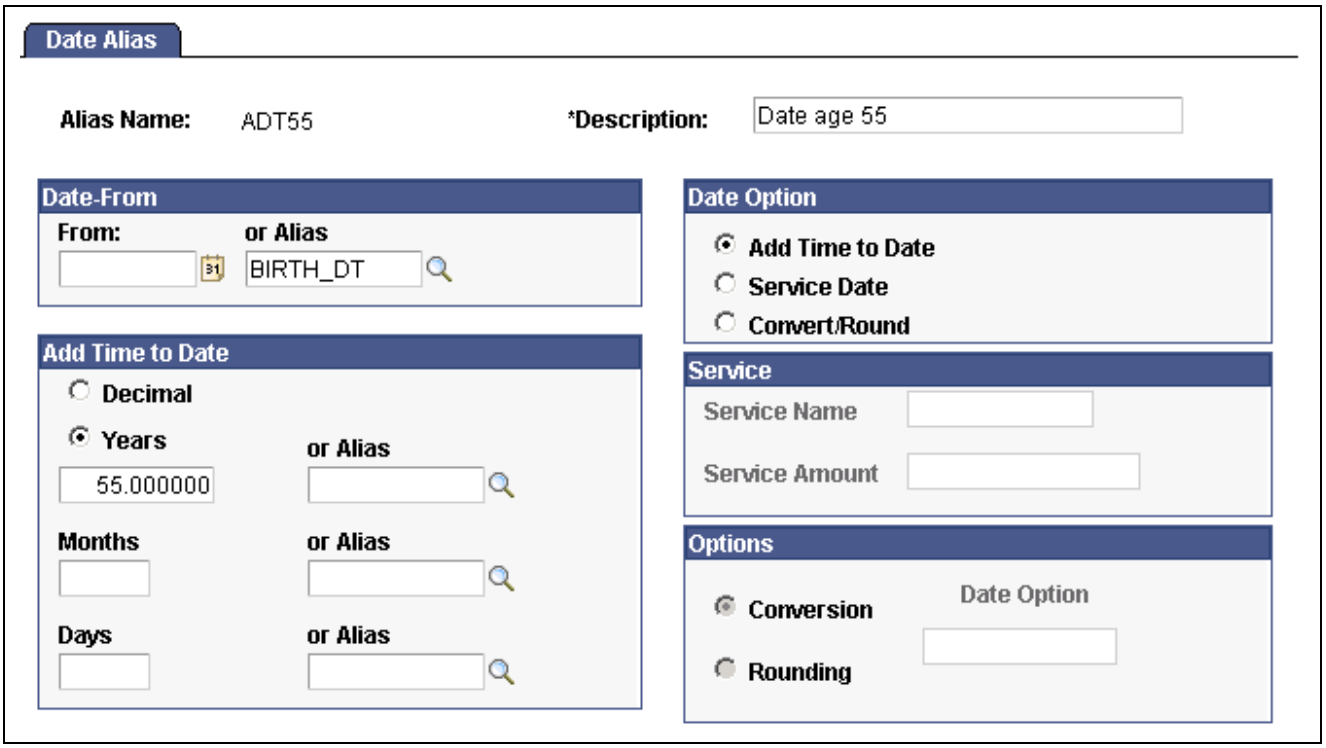
Pages Used to Use Dates in Pension Calculations

Page Name	Object Name	Navigation	Usage
Date Alias	PA_DATE_CALC	Set Up HRMS, Product Related, Pension, Variable Definitions, Date Alias, Date Alias	Manipulate dates for use in pension calculations.
Date Round Option	PA_DATE_ROUND	Set Up HRMS, Product Related, Pension, Calculation Rules, Date Round, Date Round Option	Set up date rounding rules.
Date Conversion Option	PA_DATE_CONV	Set Up HRMS, Product Related, Pension, Calculation Rules, Date Conversion, Date Conversion Option	Establish methods for converting raw dates to decimal dates and vice versa, and for extracting data elements from raw dates.

Manipulating Dates

Access the Date Alias page.

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Date Alias page

Date-From

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

Date Option

Select the type of manipulation you want to perform. You can add time to a date, determine a service date, or convert or round a date. The fields that are available for entry depend on your selection.

Add Time to Date

Decimal or **Years** Select Decimal to use decimal dates or Years to use raw dates.

Use the same date format as the base date. Normally you use raw dates. The only reason your base date would be a decimal date is when it is the result of another date alias that explicitly converted it to a decimal date format.

Years, Months, and **Days** Specify the amount of time to add. For years, months, and days, you can enter a constant or an alias (in the or Alias field).

If you are using decimal dates, enter a value in the Years field only, and leave Months and Days blank. Specify the decimal number of years to add.

Service

A date alias can look up the date when an employee attains a specified amount of service. For example, to set up an alias for the date of first vesting, you could look for the date when an employee will have accrued five years of vesting service.

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Service Name To set up this type of date manipulation, enter the service function result used to calculate service.

Service Amount Enter the required amount of service.

The function result provides all the information needed to calculate the date, including a projection method for future service.

The system does not necessarily determine the exact day that an employee attains the specified amount of service. Instead, the system looks at the service history, finds the period when the employee attained the specified service amount, then uses the first day of the next period. How exact this date is depends on how you set up your service requirement. Monthly service accrual methods provide more precise values than yearly service accrual methods.

Note. Service dates are not necessarily exact.

Options

Conversion or **Rounding** To apply the conversion or rounding option to the base date, select either Conversion or Rounding. Then enter the date option that has the conversion or rounding instructions.

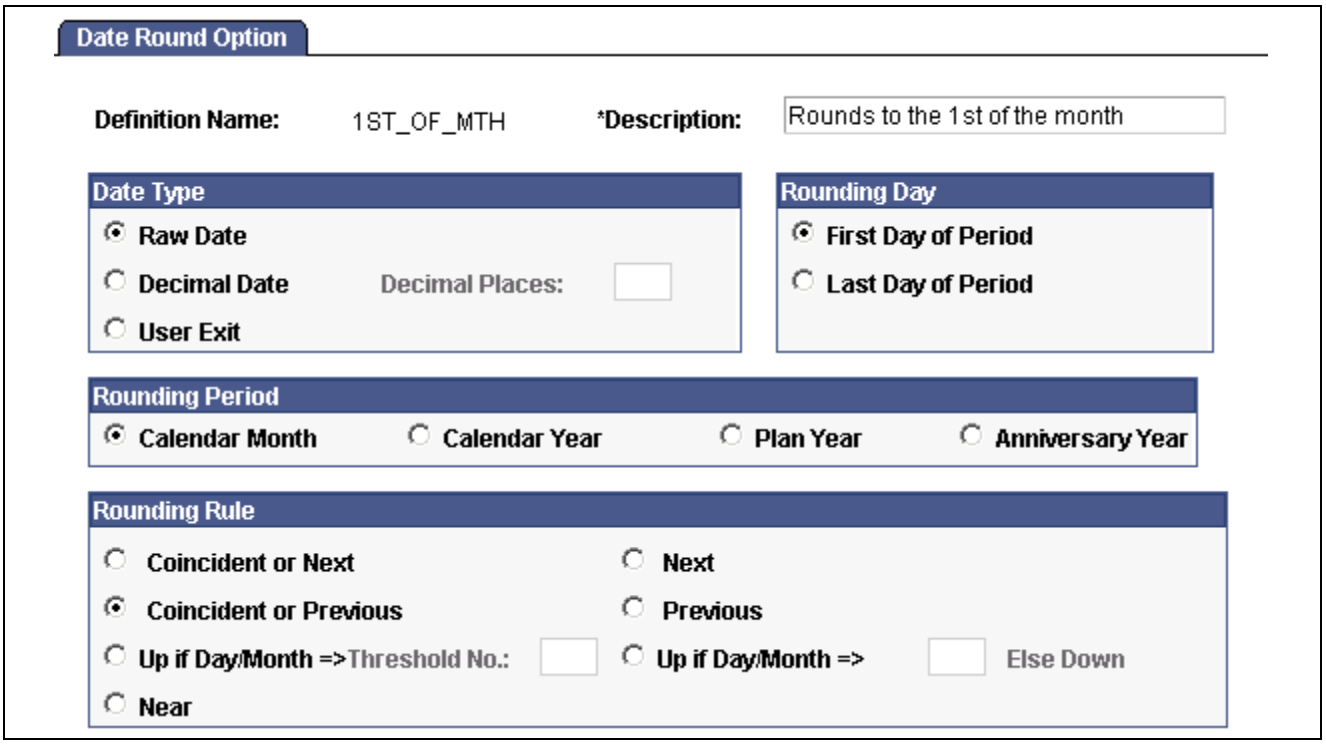
When you use the date conversion option on a raw date, the result is a decimal value. For example, you could convert April 1, 2006 to 2006.25. When you use this decimal value elsewhere in the system, it is not necessarily recognized as a date.

Setting the Date Round Option

Pension plans frequently round dates. For example, if normal retirement date (NRD) is the first of the month after a participant's 65th birthday, you create an NRD alias by applying a rounding option to the date representing the birthday.

Access the Date Round Option page.

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Date Round Option page

Date Type

Raw Date, Decimal Date, or **User Exit**

Select Raw Date to use the raw date format. You can assume that you are using a raw date unless you use the date conversion option specifically to create a decimal date.

Select Decimal Date to use the decimal date format, and enter the number of decimal places.

Select User Exit to set up your own date rounding method.

Rounding Rule

A rounding rule consists of three parts, as shown in the following examples:

Rounding Day	Rounding Rule	Rounding Period
First day of	the next	month
Last day of	the previous	calendar year
First day of	the current	plan year

When you round to the last day of a period, you do not have to specify the rounding rule. In this case, the date is always rounded to the last day of the current period. For example, if you round to the last day of the calendar month, August 8, 2008 becomes August 31, 2008. If, however, you round to the first day of a period, you must select a rounding rule.

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There are also two options that round based on a threshold that you specify:

- Up if Day/Month => Threshold No.
- Up if Day/Month => Threshold No. … Else Down

With both of these options, you specify the threshold number of days in a month (if the rounding period is months) or months in a year (if the rounding period is any type of year). Both options round up after the specified number of days or months. However, the first option leaves dates under the threshold unrounded, whereas the second option rounds down.

Note. The threshold options do not apply if you round decimal dates.

The following tables illustrate how each of these options works. In all cases, we are rounding to the first of the month.

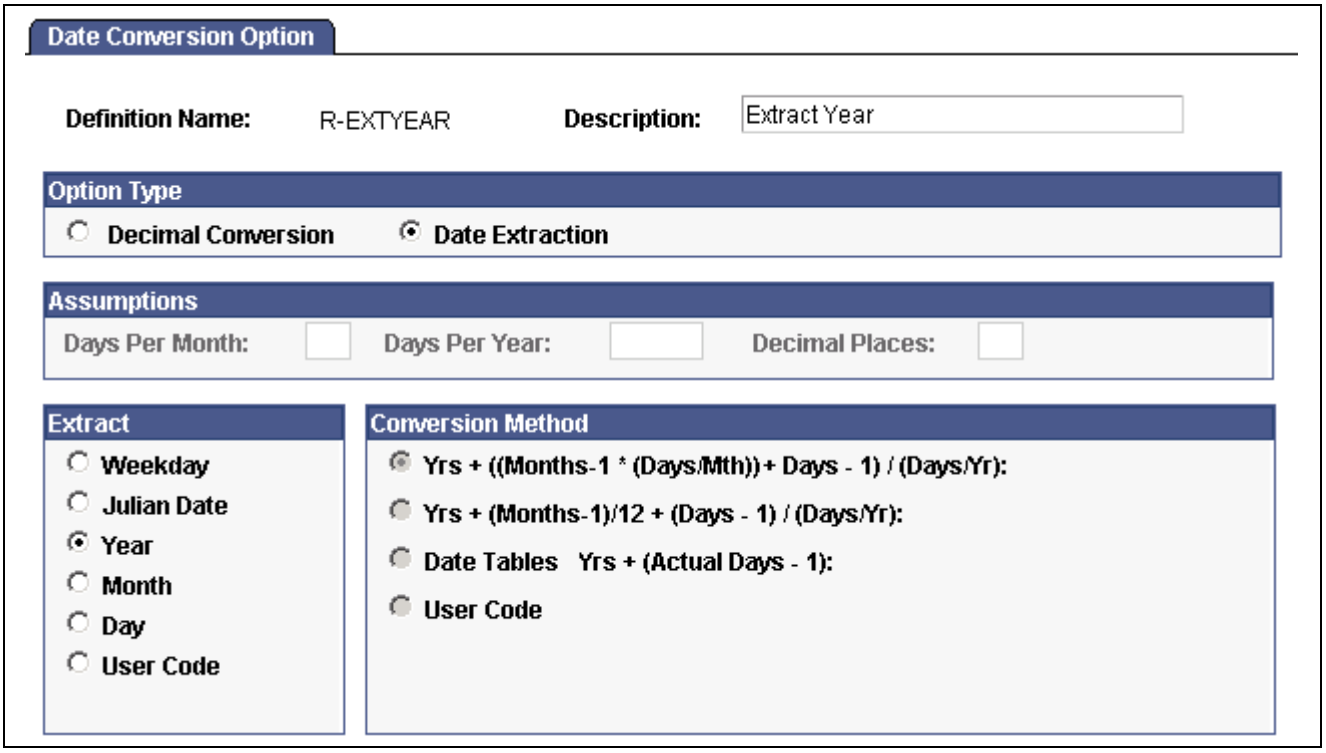
Rounding Rule	Base Date	Rounded Date
Coincident or Next	May 1, 2005	May 1, 2005
Coincident or Next	May 2, 2005	June 1, 2005
Next	May 1, 2005	June 1, 2005
Coincident or Previous	May 1, 2005	May 1, 2005
Previous	May 1, 2005	April 1, 2005
Previous	May 2, 2005	May 1, 2005
Near	May 3, 2005	May 1, 2005

Threshold Rounding Rule	Base Date	Threshold	Rounded Date
Up if Day/Month => Threshold No.	May 17, 2005	15	June 1, 2005
Up if Day/Month => … Else Down	May 17, 2005	15	June 1, 2005
Up if Day/Month => Threshold No.	May 17, 2005	20	May 17, 2005
Up if Day/Month => … Else Down	May 17, 2005	20	May 1, 2005

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Converting Dates

Access the Date Conversion Option page.



Date Conversion Option page

Option Type

Decimal Conversion or **Date Extraction**

Select one of these options:

- Decimal Conversion to convert raw dates to decimal dates and vice versa. If you select this option, complete the parameters in the Assumptions and Conversion Method group boxes.
- Date Extraction to extract data elements from raw dates. If you select this option, complete the parameters in the Extract group box.

Assumptions

Days Per Month or **Days Per Year**

When you convert days, you can either convert the days to months and then the months to years, or you can convert days to years in a single step. In the first case, you have to specify how many days per month to assume; in the second case, you have to specify the assumed days per year.

Decimal Places

There are always twelve months in a year, so converting months is straightforward: each complete month equals .083333 years. The decimal is carried out to the number of places that you specify.

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Extract

Sometimes a calculation needs the year, month, or day of a date, but not all three. For example, suppose your employees' periodic earnings consolidations are based on compensation rate on each anniversary of their hire dates. You need date aliases that determine the month and the day of hire. This means that if an employee is hired on March 17, 2007, the month extraction alias resolves to 3, and the day extraction alias resolves to 17.

Weekday, Julian Date, Year, Month, Day, or **User Code**

Select the element you want to extract.

The Julian date represents the number of actual calendar days in the year, up to and including the date. For example, January 31 is 31 days, and February 1 is 32 days.

All extraction results are decimals, including month and weekday extractions. For example, when you extract the month from June 30, 2005, the result is 6. When you extract the weekday from a Sunday date, the result is 1.

You can only apply date extraction options to raw dates, not to decimal dates.

Conversion Method

When you convert raw dates to decimal dates, you have to convert months and days to partial years. There are a number of ways to do this, depending on your assumptions and your conversion method.

To understand the differences among the options, walk through some sample conversions.

Notice that the conversion methods use *Months - 1* and *Days - 1*. They use this method in order to work with whole months and days. For example, June 6, 2002 is only six days into in the sixth month, June; and the last whole month is the fifth month, May.

Reviewing Sample Conversions

This topic uses each method to convert a raw date, June 6, 2002, to a decimal date. Assume there are 30 days per month, 365 days per year, and four decimal places.

Years + ((Months - 1) * (Days/Month)) + Days - 1) / (Days/Year)

This example converts the raw date June 6, 2002 to a decimal date.

```
Years + (whole months converted to days + whole days) converted
to partial years
Years = 2002
Whole months converted to days = (6 - 1) * 30 = 5 * 30 = 150
Whole days = 6 - 1 =5
Total days = (150 + 5) = 155
Total days converted to partial years = 155 / 365 = .4247
```

Years + (Months - 1) / 12 + (Days - 1) / (Days/Year)

This example converts the raw date June 6, 2002 to a decimal date.

```
Years + whole months converted to partial years + whole days
converted to partial years
```

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```
Years = 2002
Whole months converted to partial years  = (6-1) / 12 = 5 / 12 = .4167
Whole days converted to partial years = (6-1) / 365 = 5 / 365 = .0137

Result: 2002.4304
```

Date Tables: Years + (Actual Days - 1)

To find the (actual days - 1) value of June 6, 2002, add 31 (January), 29 (February in a leap year), 31 (March), 30 (April), 31 (May), and 5 (June through yesterday) for a final value of 157. This is converted to years using the actual number of days in this year: 366 because of the leap year.

```
Years + actual days converted to partial years
Years = 2002
Actual days converted to partial years = 157 / 366 = .4290
Result: 2002.4290
```

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CHAPTER 32

Using Duration Aliases and Duration Options

This chapter provides overviews of duration aliases and duration options and discusses how to:

- Define a duration alias.
- Select and set up a calculation method.

Understanding Duration Aliases

The system calculates a duration by subtracting an earlier date from a later date. The remainder is the *duration.*

A duration alias measures the length of a period of time. The most common durations are ages. An employee's age on a particular date is the duration between that date and the birth date. Another common duration is elapsed time service, the period of time between two service-related events, such as a hire and a termination.

Setting up a duration alias is a two-part process. You need to:

- Specify the endpoints for the duration—for example, birth date and event date.
- Select a calculation method.

You define calculation methods on the Calculation Options and Conversion Options pages.

Duration aliases always produce decimal results. For example, a duration of six years and three months is expressed as 6.25 years. When you create a duration option you establish a method for converting raw dates—formatted in years, months, and days—into decimal equivalents.

The decimal that represents the total duration is the primary result of a duration alias. However, duration aliases also manipulate the decimal value to derive six other secondary results.

See Also

Chapter 32, "Using Duration Aliases and Duration Options," Setting Up a Raw Date, page 282

Understanding Duration Options

This section discusses:

- Duration options
- Date math methods

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Overview of Duration Options

Duration options instruct the system on the details of calculating a duration. You set up duration options separately from duration aliases; this enables you to easily reuse a duration option.

Date Math Methods

There are three methods of subtracting dates:

- Decimal date subtraction
- Raw date subtraction
- Period counting

The initial results of raw date subtraction and period counting are in year-month-day format. The system converts this duration to a decimal equivalent after performing the subtraction.

Decimal Date Subtraction

With decimal date subtraction, the date endpoints are converted to decimal values before the subtraction; the result is therefore a decimal.

Raw Date Subtraction

Raw date subtraction subtracts days from days, months from months, and years from years. The raw dates are formatted as *yyyy/mm/dd.* The following example illustrates this method:

```
 1995/12/11
- 1988/09/05

  __________
  0007/03/06 or seven years, three months, and six days.
```

Consider, however, the following subtraction:

```
 1990/11/06
- 1977/12/13
```

You cannot subtract 13 days from 6, so you have to convert one of the months to days. But when you change the 11 month to 10, how many days do you carry to the days column? When you set up raw date subtraction methods, you choose whether to use the actual number of days per month or an assumed number days per month.

If you use the actual number of days per month, the number of days depends on the month in question. In this case, the tenth month (October) is the most recent full month that you can convert to days. October has 31 days, so 1990/11/06 becomes 1990/10/37. You still have to convert one year to months to complete the subtraction, but you know there are always 12 months per year. You end up, then, with a date of 1989/22/37 and your equation yields:

```
 1989/22/37
- 1977/12/13

  __________
   0012/10/24 or 12 years, 10 months, and 24 days.
```

If you assume 30 days per month, 1990/11/06 becomes 1990/10/36, and after you again convert 1 year to 12 months, you end up with 1989/22/36. Your equation is now:

```
 1989/22/36
- 1977/12/13

  __________
```

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```
0012/10/23 or 12 years, 10 months, and 23 days.
```

Period Counting

Period counting measures a duration by starting with the later date, then subtracting defined periods (years, months, and days) until reaching the earlier date. You choose the period or periods to count.

You will likely use period counting durations to measure the difference between the normal and actual retirement dates. You use this information to determine early retirement penalties. For example, if your plan's early retirement reduction is 3 percent per year, you use period counting to determine the number of years between the normal and actual retirement dates.

You're also likely to use period counting durations for measuring elapsed time service or PRSA coverage periods.

Let's calculate the duration between 1977/12/13 and 1990/11/06. (These are the same dates used for the second example under "Raw Date Subtraction.") You count years, months, and days. Period counting methods always start with the later date and count backwards.

First you count years, and you find 12 complete years in the interval. This takes you from 1990/11/06 back to 1978/11/06. When you count months, you find 10 complete months in the interval. This brings you to 1978/01/06. When you count the days, you always use actual days per month. Your last count includes 6 days in January and 18 days in December, for a total of 24 days. The result is 12 years, 10 months, and 24 days.

Although it appears that period counting always gives the same result as raw date subtraction, there is a difference. Period counting counts actual days for the first full month between the two dates, whereas raw date subtraction counts actual days for the last full month between the two dates.

For example, consider the duration from February 15 to August 10 of the same year. If you use period counting, you end up with 5 full months from August 10 back to March 10, plus *23* additional days between February 15 and March 10. If you use raw date subtraction, you end up with 5 full months between February 15 and July 15, plus *26* days between July 15 and August 10. The difference occurs because February only has 28 days, whereas July has 31 days.

Defining a Duration Alias

To set up a duration alias, use the Duration Alias (DURATION) component.

This section lists the page used to set up a duration alias and explains how to set up a duration alias.

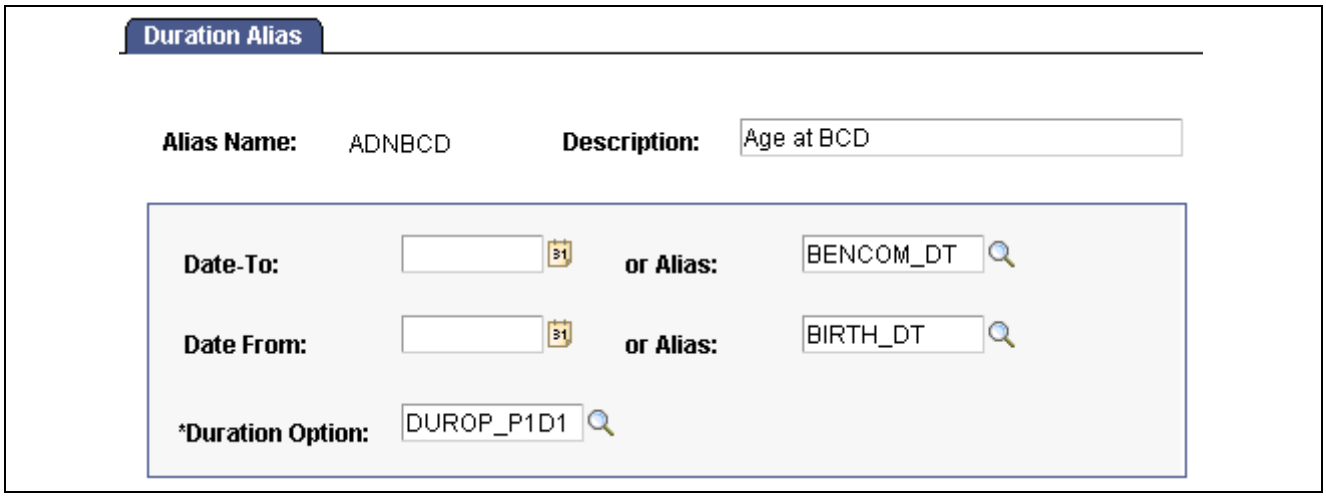
Page Used to Set Up a Duration Alias

Page Name	Object Name	Navigation	Usage
Duration Alias	PA_DATE_DURATION	Set Up HRMS, Product Related, Pension, Variable Definitions, Duration Alias, Duration Alias	Create a duration alias.

Setting Up a Duration Alias

Access the Duration Alias page.

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Duration Alias page

Date-To and **Date From** Enter the boundary dates for the period you want to measure. Either date can be a constant date or an alias. Of course, if the two dates are both constant, the duration would be constant. Therefore, at least one of your date endpoints is normally an alias.

Duration Option Enter a duration option to establish a calculation method.

Selecting and Setting Up a Calculation Method

To set up a calculation method, use the Duration (DURATION_OPTIONS) component.

This section lists the pages used to select and set up a calculation method and discusses how to:

- Select calculation options.
- Set up a raw date.

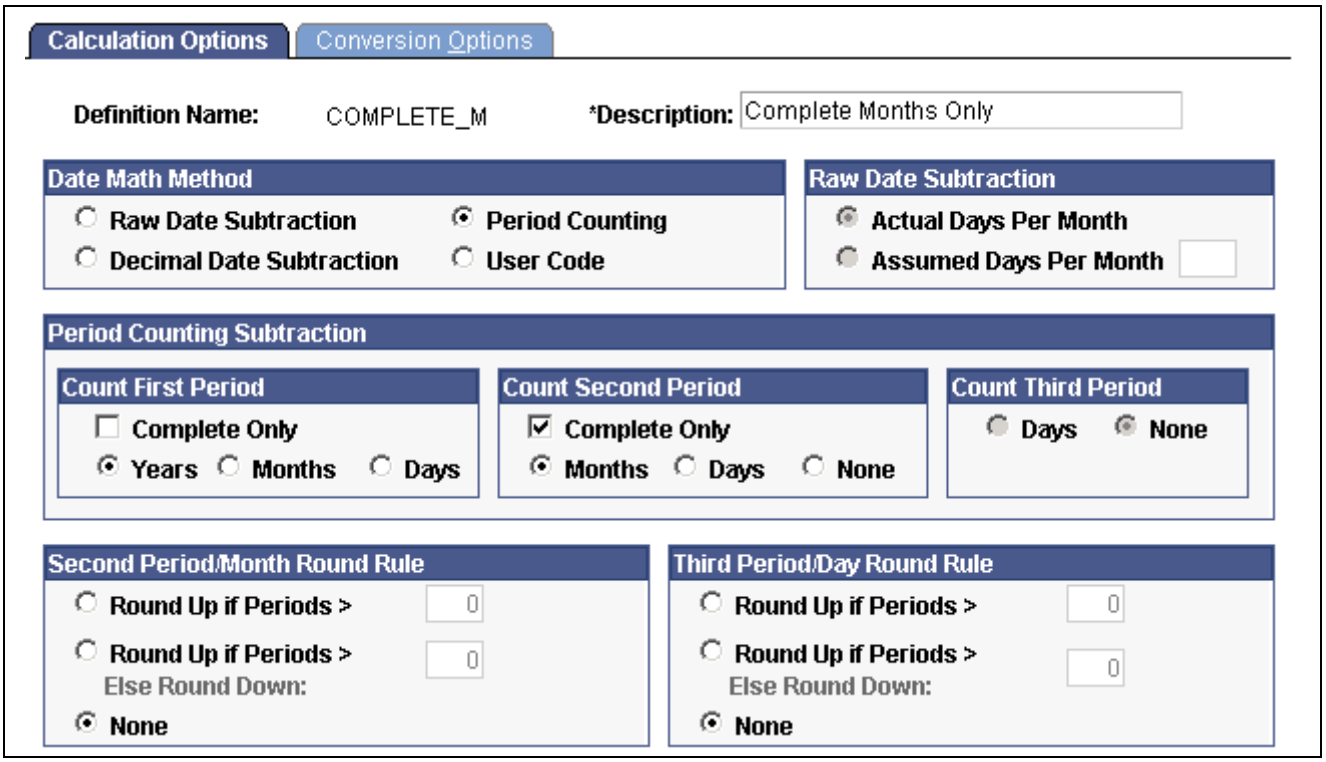
Pages Used to Select and Set Up a Calculation Method

Page Name	Object Name	Navigation	Usage
Calculation Options	PA_AGECALC_PERIOD	Set Up HRMS, Product Related, Pension, Calculation Rules, Duration, Calculation Options	Choose a calculation method and set parameters associated with the method.
Conversion Options	PA_AGECALC_PARMS	Set Up HRMS, Product Related, Pension, Calculation Rules, Duration, Conversion Options	Set up a raw date to decimal date conversion method.

Selecting Calculation Options

Access the Calculation Options page.

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Calculation Options page

Date Math Method

Select one of the following date math methods:

- Raw Date Subtraction

  Also select options in the Raw Date Subtraction, Second Period/Month Round Rule, and Third Period/Day Round Rule group boxes.

- Period Counting

  Also select options in the Period Counting Subtraction, Second Period/Month Round Rule, and Third Period/Day Round Rule group boxes.

- Decimal Date Subtraction
- User Code

Raw Date Subtraction

Convert months to days in order to perform subtractions when the earlier date has fewer days than the later date. For example:

```
  1990/11/06
- 1977/12/13
```

Actual Days Per Month The number of days depends on the month.

In the example, the tenth month (October) is the most recent full month that you can convert to days. October has 31 days, so 90/11/06 becomes 90/10/37.

Assumed Days Per Month Enter a fixed number of days in the adjacent text field. The system uses this number for every month.

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Period Counting

If you choose the period counting method, you need to indicate the period or periods to count. You can count either one type of period, such as years, or you can count successively shorter periods, such as years and then months.

You can define up to three types of counting periods: years, months, and days. You can use any combination of these periods, but you must use them in order: from longest to shortest.

Although you may not want to express shorter units in the final count, you may still want to count them for rounding purposes. For example, if you are only going to count years, but you are going to round by months, you also need to count months.

Count First Period	Select the longest period.
Count Second Period	Select the next longest period, or select None if you do not use the second period.
Count Third Period	Select the third longest period, or select *None* if you do not use the third period.
Complete Only	When you select this option, the system does not count any shorter periods. If you do not use all three counting periods, select this check box in the shortest period that you do count.

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

If you use raw date subtraction or period counting (both based on raw dates), you can choose to round the dates before calculating a duration. You specify the rounding options in the Second Period/Month Round Rule and Third Period/Day Round Rule group boxes.

You use these group boxes as follows:

- For raw date subtraction, you specify the month round rule in the Second Period/Month Round Rule group box and the day round rule in the Third Period/Day Round Rule group box.
- For period counting, you specify the second period in the Second Period/Month Round Rule group box and the third period in the Third Period/Day Round Rule group box.

For example, to round days to months when using raw date subtraction, use the day round rule. To round days to months when using period counting, first check which period counts days. If the second period counts days, use the second period rounding rule, even though the label is Month Round Rule.

Use the options in these group boxes as follows:

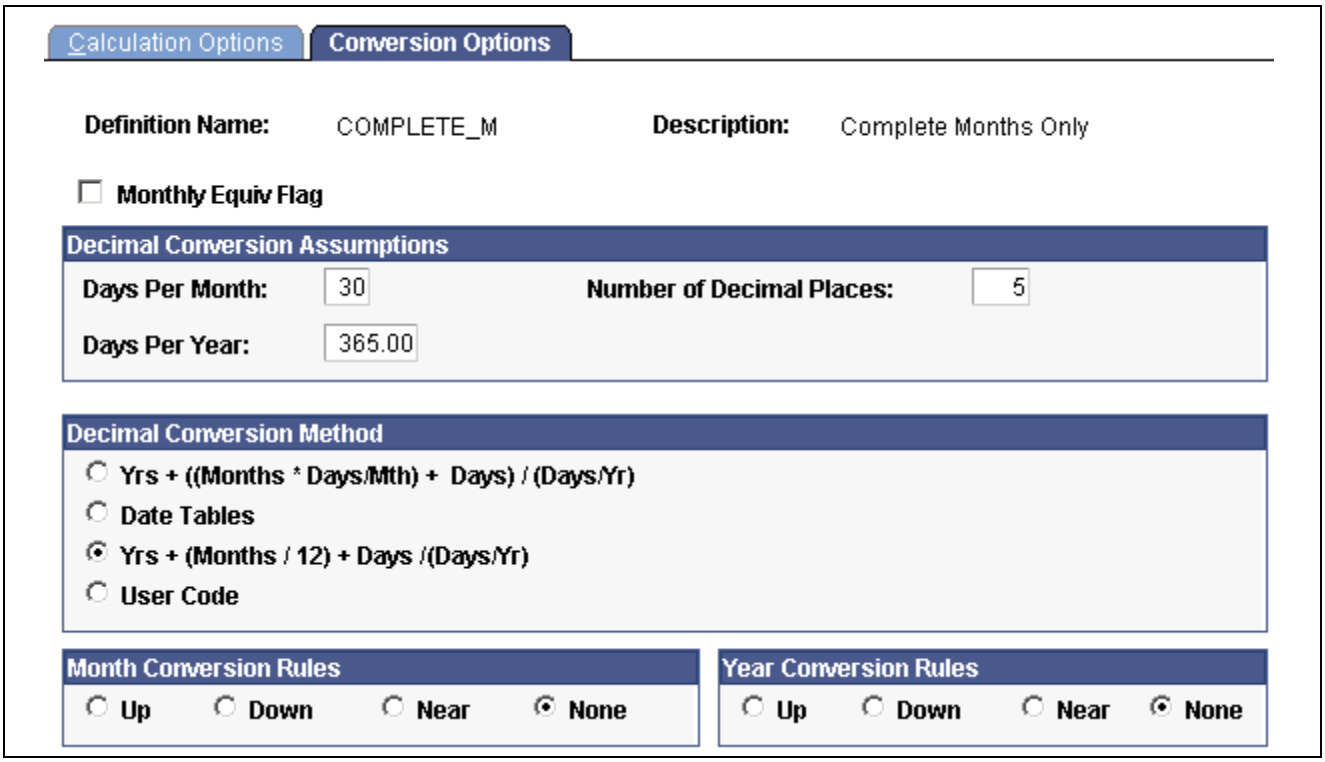
- To round up only, select Round Up if Periods > and enter the threshold. For example, you could round days up to a full month after 25 days.
- To round up or down, choose Round Up if Periods > … Else Round Down and enter the number of periods.
- If you do not want to round at all, select None.

Note. These options round the dates that are the duration endpoints. That is, the dates are rounded *before* the system performs raw date subtraction or period counting. To round the duration itself, or to round the endpoints before performing decimal date subtraction, use the Month Conversion Rules and Year Conversion Rules on the Conversion Options page.

Setting Up a Raw Date

Access the Conversion Options page.

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Conversion Options page

Unless your source dates are decimal dates, the system converts the raw dates or durations to decimal dates. If you use raw date subtraction or period counting, the system converts the duration after performing the date math. If you use decimal date subtraction, the system converts the endpoints before performing the subtraction.

When you convert raw dates and durations to decimal equivalents, you have to convert months and days to partial years. There are a number of ways to do this. Specify your conversion options in the Decimal Conversion Assumptions and Decimal Conversion Method group boxes.

Decimal Conversion Assumptions

Specify your assumptions about the number of days in a month and in a year. The system uses these values to convert dates to decimal values.

Days Per Month Specify a value if you select the decimal conversion method Yrs + ((Months * Days/Mth) + Days) / (Days/Yr).

Days Per Year Specify a value if you select a decimal conversion method other than User Code.

Number of Decimal Places Throughout the conversion process, decimals are rounded to the number of places you specify here.

Decimal Conversion Method

Select one of the following options to indicate how to convert dates into decimal values:

Yrs + ((Months * Days/Mth) + Days) / (Days/Yr) Convert the months to days, add these days to the specified days, then convert the total days to years to find the decimal portion of the duration. Add this to the years to get the total duration.

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	In this case, you must specify the assumed days in Days Per Month and Days Per Year.
Date Tables	Add the years plus the actual number of remaining days converted to years. The formula is: Years + (actual days / days per year) In this case, you have to specify the assumed days in Days Per Year. The number of actual days depends on the time being measured. For a duration from 4/15/1994 to 8/16/1998, the actual days are the days from 4/16/1998 to 8/16/1998.
Yrs + (Months/12) + Days/(Days/Yr)	Convert the months to decimal years, then convert the days to decimal years. Add these together to find the decimal portion of the duration. Add this to the years to find the total duration. In this case, you must specify the assumed days in Days Per Year. The system knows there are twelve months per year; you do not need to enter this information.
User Code	Convert dates as specified in your own user code.

Using Decimal Conversion Methods

This section provides examples of the decimal conversion methods. These examples convert the "raw" duration five years, six months and six days to a decimal value. The process is similar to that of converting a raw date to a decimal before performing decimal date subtraction.

For the examples, assume 30 days per month, 365 days per year, and four decimal places.

1. Years + { [Months * Days per Month] + Days } / (Days per Year)

```
Years
  + (months converted to days + days) converted to partial years
Years = 5
Months converted to days = 6 * 30 = 180
Days = 6
Total days = (180 + 6) = 186
Total Days converted to partial years = 186 / 365 = 0.5096
Result: 5.5096
```

2. Years + [Months / 12] + [Days/ Days per Year]

```
Years
  + months converted to partial years
  + days converted to partial years
Years = 5
Months converted to partial years  = 6 / 12 = .5000
Days converted to partial years = 6 / 365 = .0164
Result: 5.5164
```

3. Date Tables: Years + (Actual Days)

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To find the actual days value of six months and six days, you need to know which six months and six days they are. Assume this portion of the duration starts on January 1, 1992. This means the months are January through June, and the six days are then the first six days of July. Add 31 (January), 29 (February in a leap year), 31 (March), 30 (April), 31 (May), and 30 (June), and 6 (the remaining days) for a final value of 188. This is converted to years using the actual number of days in this year: 366 because of the leap year.

```
Years
  + actual days converted to partial years [always using 365 days/year]
Years = 5
Actual days converted to partial years = 188 / 366 = .5137
Result: 5.5137
```

Month Conversion Rules and Year Conversion Rules

If you use decimal date subtraction, the system uses the Month Conversion Rules and Year Conversion Rules settings to round the duration endpoints (which are decimal values) before the subtraction that determines the duration. You cannot further round the final result.

If you use raw date subtraction or period counting, the system uses the Month Conversion Rules and Year Conversion Rules settings to round the final duration result.

The settings work the same regardless of which value you're rounding. Select *Up* to round to the next month or year, *Down* to round to the previous month or year, or *Near* to round to the closer of the two rounded values. Select *None* to avoid rounding altogether.

Note. For decimal date subtraction, these rounding options operate on the decimal date endpoints before the system calculates the duration. For raw date subtraction or period counting, these rounding options operate on the duration itself. To round the endpoints for raw date or period counting methods, use the rounding rules on the Calculation Options page. You cannot round a duration produced by decimal date subtraction.

Using Monthly Equivalents

A duration produces a primary result, a decimal value representing the entire duration, and six secondary results (called results 2-7). The secondary results are:

No.	Result	Example
2	Round the duration to whole months.	
3	Round the duration to whole years.	
4	Express the total duration as whole months.	6.25 (6 years, 3 months) becomes 75 months. Any remaining days are rounded.
5	Disregard whole years.	6.25 becomes just .25.
6	Disregard whole years, and express the remainder as whole months.	6 years, 3 months becomes just 3 months.
7	Disregard whole years and express the remainder as days.	5 years, 3 months becomes approximately 91 days (based on days per year assumption).

In this table:

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- Results 2, 4, and 6 deal in whole months.

  This means that any remaining days are rounded.

- Results 3, 5, and 7 do not necessarily round days.

  If you select *Monthly Equiv Flag* on the Conversion Options page, these values are rounded according to the settings in the Month Conversion Rules and Year Conversion Rules group boxes on that page.

- The Month Conversion Rules settings apply to the results that round days.

  This is all three results if you use monthly equivalents.

- You can round months and years up, down, or near, or you can choose not to round.

Note. If you do not use the secondary duration results, disregard the Monthly Equiv Flag field.

The following table provides examples of the seven results of a duration calculation. It shows the effect of selecting *Monthly Equiv Flag*. The examples assume that both the monthly and yearly rounding options are set to *Near* and that there are 365 days per year.

Name	Description	Uses Monthly Equiv Flag?	Example
AGE	Use decimal, including partial years.	No (never rounded)	65.497 years
AGE2	Round AGE to the nearest whole month.	No (always rounded)	65.500 years
AGE3	Round AGE or AGE2 to whole years.	Yes Flag off: round AGE. Flag on: round AGE2.	65 years 66 years
AGE4	Express AGE2 in months.	No (always rounded)	65.500 * 12 = 786 months
AGE5	Extract decimal from AGE or AGE2.	Yes Flag off: AGE decimal. Flag on: AGE2 decimal.	.497 years remainder .500 years remainder
AGE6	Extract decimal from AGE2 and express as months.	No (always rounded)	.500 * 12 = 6 months remainder
AGE7	Express AGE5 as (whole) days.	Flag off for AGE5 Flag on for AGE5	.497 * 365 = 181 days remainder .500 * 365 = 182 days remainder

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To reference the secondary results of a duration, add the appropriate numeric suffix to the duration name. These numbers correspond to the result numbers shown in the previous table—for example, AGE2 references result 2 for AGE.

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CHAPTER 33

Using Function Result and Actuarial Factor Aliases

This chapter provides overviews of function result aliases and actuarial factor aliases and discusses how to:

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

Understanding Function Result Aliases

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

The final average earnings and cash balance accounts functions both enable you to specify whether to apply limits. If you apply limits, as you will in all of your qualified plans, the function produces limited and unlimited results. The function result name references the result according to how you configure your definition: limited if the definition uses limits, unlimited if it does not. If the function result is limited, the secondary result is the unlimited equivalent. If the function result is unlimited, the secondary result is identical to the primary result.

The participation function produces a participation status and a participation date. The function result name references the status only. The secondary result is the date.

To reference any of the secondary values produced by these function results, you have to set up a special kind of alias: a function result alias.

Three functions, participation, final average earnings, and cash balance accounts, always produce results beyond those referenced by the function result name. These are the results you reference with function result aliases.

Typically, you reference function result aliases for final average earnings and cash balance accounts within the benefit formula.

You might use the participation date when you set up a service definition if you want to exclude service before the participation date.

Understanding Actuarial Factor Aliases

When you convert a pension payment from one payment form to another, you use factors to determine an actuarially equivalent amount. A factor alias calculates the factor based on:

- The actuarial assumption set.
- The two forms of payment.

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

Use the factors that you create anywhere your plan needs them. If your cash balance plan produces a lump sum amount, but your normal form is an equivalent annuity, you might set up a lump-sum-to-annuity conversion factor to include in your benefit formula. When you determine the annuity value of an employee's contributions, you use a factor alias to perform the conversion.

You do not need to use factors when you set up your optional form sets for each plan; the optional forms of payment function handles the conversions.

Creating Function Result and Actuarial Factor Aliases

To create function result actuarial factor aliases, use the Function Result Aliases (FNC_RSLT_ALIASES) and Factor Aliases (FACTOR_DEFINITIONS) components.

This section lists the pages used to create function result and actuarial factor aliases and discusses how to:

- Set function result alias options.
- Set factor alias options.

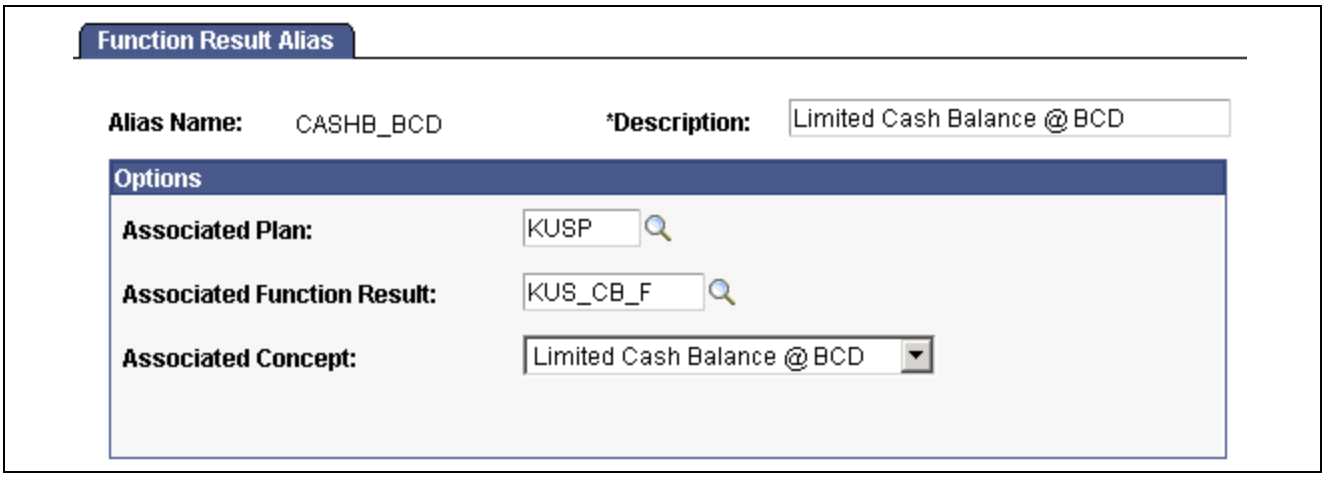
Pages Used to Create Function Result and Actuarial Factor Aliases

Page Name	Object Name	Navigation	Usage
Function Result Alias	PA_ALIAS_AUTO_ASGN	Set Up HRMS, Product Related, Pension, Variable Definitions, Function Result Aliases, Function Result Alias	Create a function result alias.
Factor Alias	PA_FACTOR_SETUP	Set Up HRMS, Product Related, Pension, Variable Definitions, Factor Alias, Factor Alias	Set up the factor parameters.

Setting Function Result Alias Options

Access the Function Result Alias page.

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Function Result Alias page

Associated Function Result Select the function result that produces the extra value.

Associated Concept Select the results you want to reference:

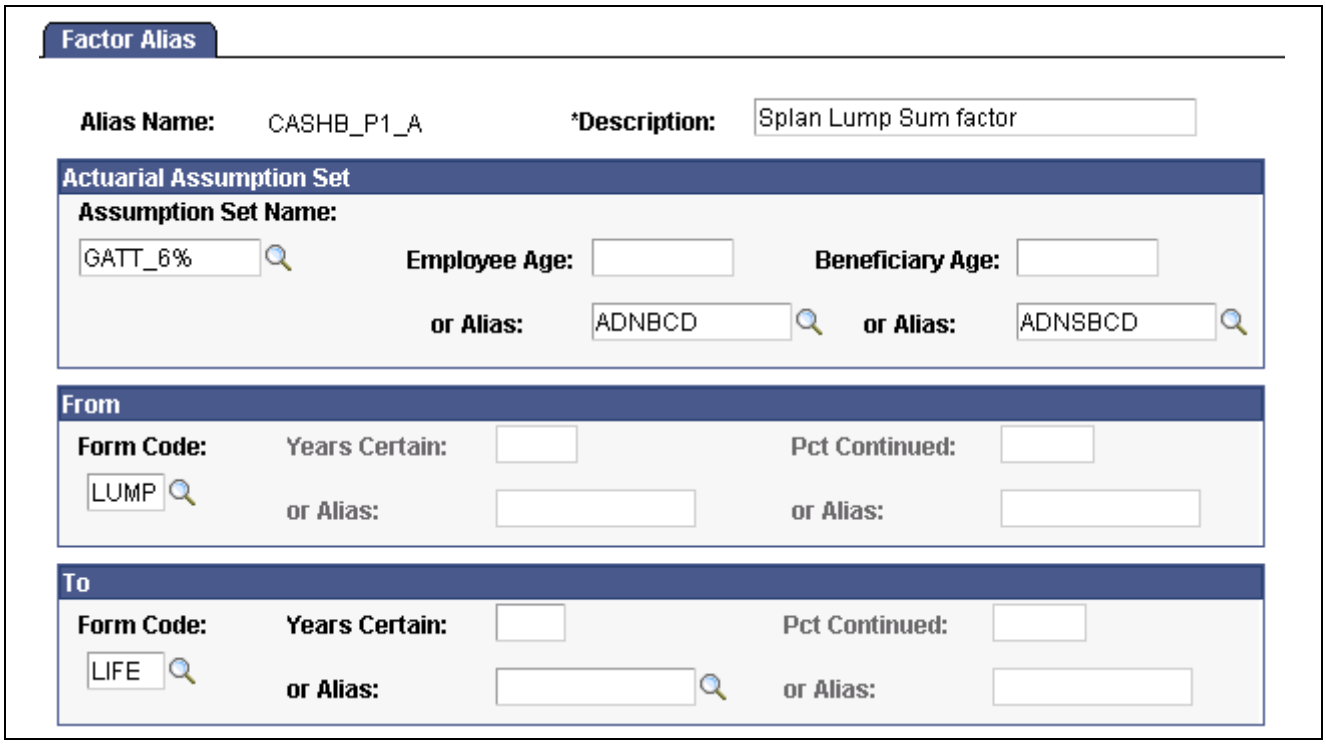
- *Lim Cash Bal @ Lump Sum Date* (limited cash balance at lump sum date).
- *Limited Average Earnings.*
- *Limited Cash Balance @ BCD* (limited cash balance at benefit commencement date).
- *Limited Cash Balance @ NRD* (limited cash balance at normal retirement date).
- *Participation Date.*
- *Unlim Cash Bal @ Lump Sum Date* (unlimited cash balance at lump sum date).
- *Unlimited Average Earnings.*
- *Unlimited Cash Balance at BCD* (unlimited cash balance at benefit commencement date).
- *Unlimited Cash Balance at NRD* (unlimited cash balance at normal retirement date).

Setting Factor Alias Options

The factor utility calculates actuarial factors that convert payment amounts from one optional form of payment to another. You use the Factor Alias page to specify the information that the factor utility uses in this conversion.

Access the Factor Alias page.

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Factor Alias page

Actuarial Assumption Set

Assumption Set Name An actuarial assumption set incorporates assumptions about mortality, interest, and payment frequency. For example, if you want to convert from a lump sum to a monthly annuity, the actuarial assumptions should specify a monthly payment frequency.

Employee Age Enter the annuitant's age.

Beneficiary Age Enter the beneficiary's age.

You can enter constant ages or aliases for these fields.

From and To

A factor is used to convert payments from one form to another—for example, from a lump sum to a single life annuity, or from a single life annuity to a 50 percent joint and survivor annuity. You define the two payment forms in the From and To group boxes.

Form Code Describe each form by entering a form code. Select from these options: *Certain Only Installment, Joint and Survivor Annuity, Life Annuity, Level Income Option, Last to Survive Annuity, Lump Sum, Pop Up Annuity, Reversionary Annuity.*

There is also a *Spouse J&S Demonstration* option. This is used on the optional forms pages when a plan provides an automatic benefit to a spouse. Do not select this option on the Factor Alias page; instead, use *Joint and Survivor Annuity.*

Certain forms incorporate additional parameters, which are specified in Years Certain and Pct Continued fields.

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Years Certain Enter the number of years certain if:

- You select the Form Code *Certain Only Installment.*
- You want to specify a guaranteed number of payments for any of the annuity options.

For example, to enter a 5-year certain and continuous form, select *Life Annuity* in the Form Code field, and enter *5* in the Years Certain field.

Pct Continued (percent continued) If the option includes a survivor benefit, enter the percent continued to indicate the survivor's continuing percentage of the original annuity. For example, joint and survivor and last to survive annuities include survivor benefits.

For example, to enter a 50 percent joint and survivor form, select *Joint and Survivor Annuity* in the Form Code field, and enter *50* in the Pct Continued field.

See Also

Chapter 36, "Using Actuarial Assumptions," page 315

Using Form Codes

When you define a form of payment, you provide the following information:

- Form code (Form Code field).
- Guaranteed number of payments (Years Certain field).
- Continuing percentage (Pct Continued field).

This is true whether you use the factor utility (the Factor Alias page) or the optional forms of payment function.

The factor utility automatically applies the appropriate actuarial equation to a form code. The following table indicates, by form code, when you must enter information in the Years Certain and Pct Continued fields. In the column labeled *Options Required?, Y* means you must enter information, *N* means the information is not applicable, and *O* means it is optional.

Form Code and Full Name	Options Required?	Description
CO Certain Only Installment	Years Certain: Y Pct Continued: N	An amount is paid for a specified number of years and no longer. If the participant dies, any remaining payments are made to a beneficiary.
JS Joint and Survivor Annuity	Years Certain: O Pct Continued: Y	One amount is paid until the participant dies. Then a survivor benefit, reduced to the specified percent continued, continues until the beneficiary dies.

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Form Code and Full Name	Options Required?	Description
LIFE Life Annuity	Years Certain: O Pct Continued: N	A periodic amount is paid for the life of the participant.
LIO Level Income Option	Years Certain: O Pct Continued: O	A monthly payment is reduced at the social security retirement age by the estimated amount of money to be received from social security.
LTS Last To Survive Annuity	Years Certain: O Pct Continued: Y	Similar to a joint and survivor annuity, except that the amount is reduced when either the participant or the beneficiary dies.
LUMP Lump Sum	Years Certain: N Pct Continued: N	A onetime payment.
POP Pop Up Annuity	Years Certain: O Pct Continued: Y	Similar to a joint and survivor annuity, except that the participant's otherwise reduced benefit "pops up" to the single life annuity level if the beneficiary predeceases the participant.
REV Reversionary Annuity	Years Certain: O Pct Continued: N	On the retiree's death, the entire benefit is paid as a life annuity to a beneficiary. The system's actuarial calculation of a reversionary annuity assumes that the benefit is forfeited if the beneficiary predeceases the retiree. If your plan rules differ, use a different method for calculating this optional form. If you enter a years certain, the certain period starts when the beneficiary begins receiving payments.
SPJS Spouse J&S Demonstration	Years Certain: O Pct Continued: Y	No actual benefit. This is informational only. It shows the benefit that a spouse loses if the participant names a non-spouse beneficiary.

Whenever you enter a value in Years Certain, any payments remaining after the participant dies are paid to a beneficiary.

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There is no separate form code for certain and continuous forms of payment. You create these forms by adding years certain criteria to other forms. Typically, you add to a single life annuity (LIFE), but you might also add to joint and survivor and other forms. For example, to set up a 10–year certain and continuous annuity with no joint and survivor criteria, enter *LIFE* in the Form Code field and *10* in the Years Certain field.

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CHAPTER 34

Using Custom Statements and Spouse Eligibility Statements

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

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

Understanding Custom Statements

No two pension plans are alike. Within the parameter pages, PeopleSoft includes many of the types of calculation processes that your plans may use. However, because of the numerous variations that are possible, PeopleSoft also provides the *custom statement,* a tool that you can use to build your own custom logic statements. You can use the Custom Statement page to set up mathematical operations and conditional statements. The values that you calculate on this page can be referenced from other calculation components. These values do not, however, appear on the calculation worksheet or on any online page.

Note. Several components of the plan rules use the Custom Statement page as the main parameter page. The Plan Eligibility, Benefit Formula, Group Definition, Spouse Eligibility, and Status Code Definition pages are all custom statements. This is why they all use the generic PA_CUSTOM_PNL page.

See Also

Chapter 12, “Defining Plan Eligibility,” page 89

Chapter 25, “Defining Benefit Formulas,” page 201

Chapter 40, “Grouping Employees,” page 345

Chapter 44, “Using Pension Statuses,” page 377

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Using the Custom Statement Page

To create custom statements, use the Custom Statement (CUSTOM_STATEMENT) component.

This section provides an overview of the Custom Statement page, lists the page used to create custom statements, and discusses how to create custom statements.

Understanding the Custom Statement Page

You use the Custom Statement page to define variables that the other Pension Administration utilities cannot accommodate. A custom statement can perform mathematical operations, evaluate Boolean statements, and perform certain predefined functions (such as minimum and maximum).

The Custom Statement page is much more flexible than most Pension Administration pages. Rather than presenting you with predefined choices, a custom statement gives you the latitude to set up your own rules. For example, given the uniqueness of most benefit formulas, PeopleSoft cannot offer you a complete list of formulas from which to choose. Instead, you can use the Custom Statement page as a tool for setting up your own formulas.

Page Used to Create Custom Statements

Page Name	Object Name	Navigation	Usage
Custom Statement	PA_CUSTOM_PNL	Set Up HRMS, Product Related, Pension, Calculation Rules, Custom Statement, Custom Statement	Define variables that the other Pension Administration utilities cannot accommodate.

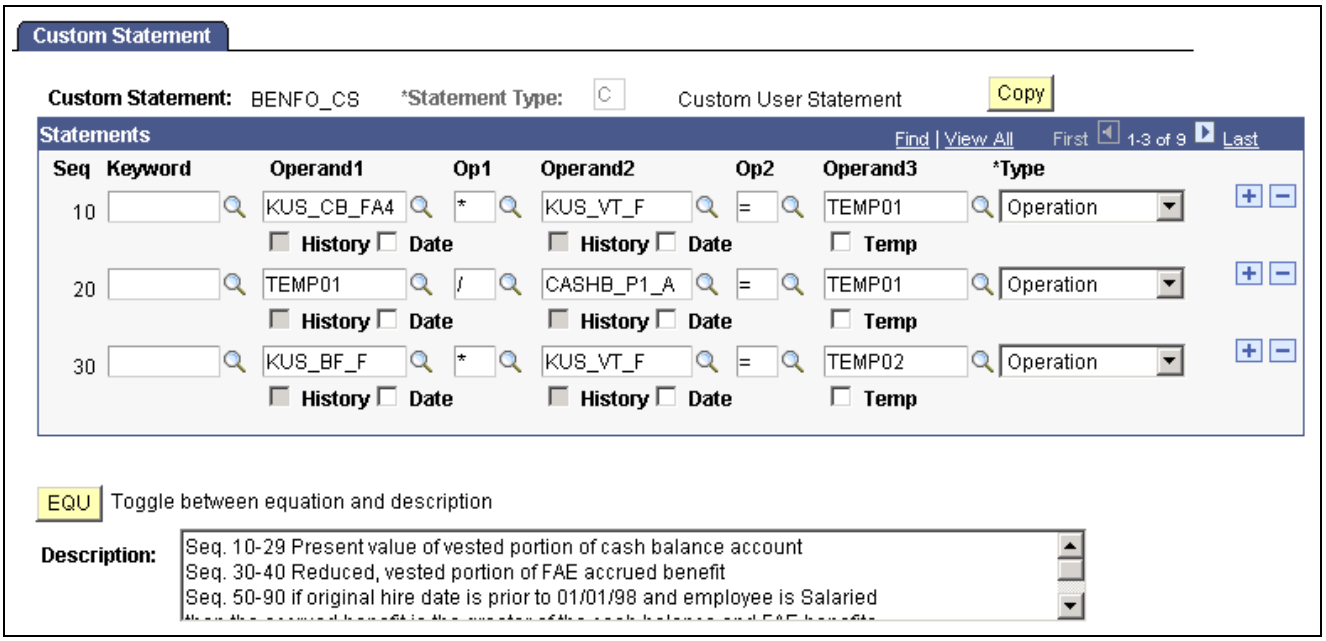
See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," Understanding Group Statements, page 302

Creating Custom Statements

Access the Custom Statement page.

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Custom Statement page

Custom Statement page

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

Statement Type The statement type is determined by the way you access the Custom Statement page, as a standalone statement or through one of the functions that incorporates this page. Standalone statements have the custom user statement type (C).

See Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," Using Custom Statement Types, page 301.

Statements

Seq (sequence) The heart of the custom statement is a series of clauses that together produce a result. Each row on the Custom Statement page constitutes such a clause. The clauses (rows) are ordered by sequence numbers. The system assigns a unique sequence number when you create a clause. You cannot directly edit the numbers to change the clause order. Instead, you have to create and delete rows to change the order.

Sequence numbers also serve to identify the clauses within error messages. If the system detects an error when you try to save a custom statement, the error message uses the sequence number to direct you to the row with the error. For example, if you try to use an alias that does not exist, you might see a custom statement error message.

Type Identifies whether the clause is a Boolean, function, or (mathematical) operation clause.

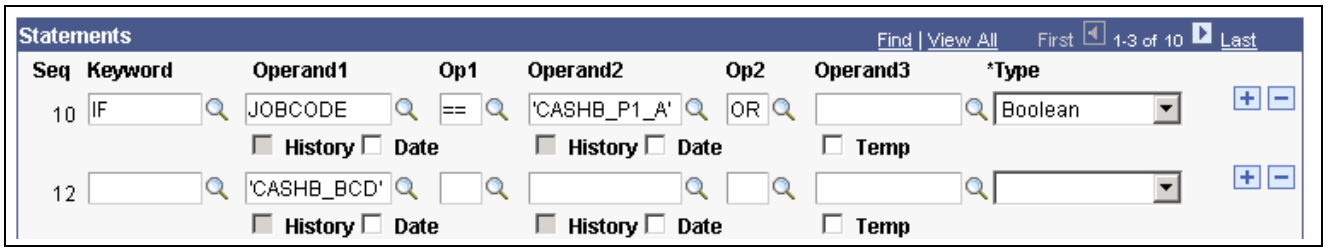
See Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," Using the Three Types of Clauses, page 306.

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Keyword

There are logical operators that can be associated with each type of clause. When you enter a keyword value for a clause, the system automatically enters the appropriate clause type based on the keyword.

Some clauses do not have keywords, so you enter the type manually. Clauses without keywords include arithmetic operation clauses and continuations of Boolean or function phrases. For example, the following Boolean phrase encompasses two clauses, but only the first has a keyword:



Boolean phrase with two clauses

Operand1 and **Operand2**

These fields prompt against existing variables.

The operands within a clause can be either constants or variables. You are free to mix constants and variables as long as the results make sense. For example, you can add two numbers, but you cannot add a number and a character. You always reference at least one variable in a custom statement.

Op1 and **Op2** (operator 1 and operator 2)

The Op1 and Op2 fields contain operators specific to the clause type. For example, “greater than” operators are only available in Boolean clauses, while arithmetic operators are only available in operation clauses. Function clauses do not use these fields.

Operand3

The Operand3 field contains the names of any temporary variables you set up within a statement, as well as the final assignment that is necessary in a mathematical statement.

History

You can select the History check boxes underneath the Operand1 and Operand1 fields to use the history feature, which evaluates eligibility requirements over time.

See Chapter 34, “Using Custom Statements and Spouse Eligibility Statements,” Using History, page 308.

Date

You can select the Date check boxes underneath the Operand1 and Operand1 fields to enter unformatted dates.

See Chapter 34, “Using Custom Statements and Spouse Eligibility Statements,” Formatting Date Constants, page 307.

Temp

You can select the *Temp* check boxes underneath the Operand3 fields to make temporary assignments to help you group your clauses.

See Chapter 34, “Using Custom Statements and Spouse Eligibility Statements,” Making Temporary Assignments, page 305.

EQU (equation)

Click this button to toggle the long text field between the Description field and an Equation field that translates your statement into an equation, showing the custom statement as a formula, complete with parentheses grouping the clauses. Each time you toggle to the Equation field, you refresh the equation.

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Warning! You cannot reference group types of custom statements, including Group Definitions, Plan Eligibility, Spouse Eligibility, and Status Code Definitions, from another custom statement of any type. All the group types of custom statements are time-sensitive and thus cannot be reliably resolved from another custom statement.

Using Custom Statement Types

On the Custom Statement page, the default value for the Statement Type field is determined by the way you access the page.

The six statement types are:

Statement Type	Navigation
Benefit Calculation	Set Up HRMS, Product Related, Pension, Components, Benefit Formula
Custom User Statements (or "standalone custom statements")	Set Up HRMS, Product Related, Pension, Calculation Rules, Custom Statement
Group Function Definition	Set Up HRMS, Product Related, Pension, Pension Plan Implementation, Group Definition
Plan Eligibility	Set Up HRMS, Product Related, Pension, Components, Plan Eligibility
Spouse Eligibility	Set Up HRMS, Product Related, Pension, Calculation Rules, Spouse Eligibility
Status Code Definition	Set Up HRMS, Product Related, Pension, Status Rules, Code Definition

Benefit calculations and standalone custom statements are typically mathematical formulas.

Group definitions, eligibility definitions, and status code definitions are Boolean formulas that determine whether or not an individual meets the criteria for belonging in a particular group.

Understanding Mathematical Statements

When you use the custom statement to create your plan benefit formulas, you set up statements with the type *Benefit Calculation*. The Benefit Formula component includes a page to describe the normal form of the benefit. General purpose mathematical equations have the type *Custom User Statement.*

These mathematical equations can incorporate function clauses and Boolean clauses, but the final product of the result is a number or a date.

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Mathematical equations require a final clause to assign a name to the result. This name must be the custom statement name.

See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," Setting Up Mathematical Operations, page 303

Chapter 25, "Defining Benefit Formulas," page 201

Understanding Group Statements

When you set up group statements, you must use a single IF statement to state the inclusion criteria. You cannot have more than one IF statement in a custom statement. Group statements do not require a corresponding THEN clause or a final assignment, because the system assigns the value *Y* (yes) when an employee meets the criteria.

Statement Type	Description
Group Function Definition	Establishes subsets of the employee population that you can then link to specific plan rules. These group definitions are key to implementing your plan rules, since rules must always be explicitly associated with a group when you set up a function result.
Plan Eligibility	Defines the criteria which qualify employees for a specific plan. Plan Eligibility Custom statements will look very similar to Group Definitions since the Plan Eligibility groups are a specialized application of the grouping logic.
Spouse Eligibility	Defines the criteria which employees must meet in order to take advantage of automatic (non-optional) joint and survivor benefits if a plan offers this benefit.
Status Code Definition	Another specialized application of the grouping logic, this time to determine criteria for pension status assignment.

See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," Setting Up Group Definitions, page 303

Chapter 12, "Defining Plan Eligibility," page 89

Chapter 40, "Grouping Employees," page 345

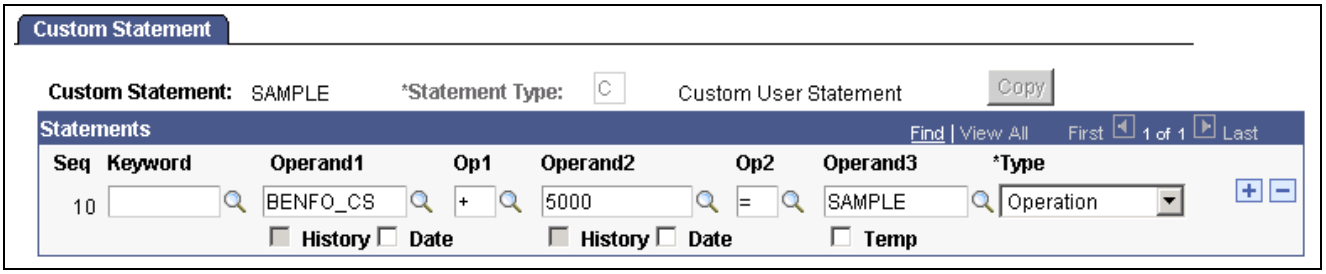
Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," Setting Up a Spouse Eligibility Statement, page 308

Chapter 44, "Using Pension Statuses," page 377

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Setting Up Mathematical Operations

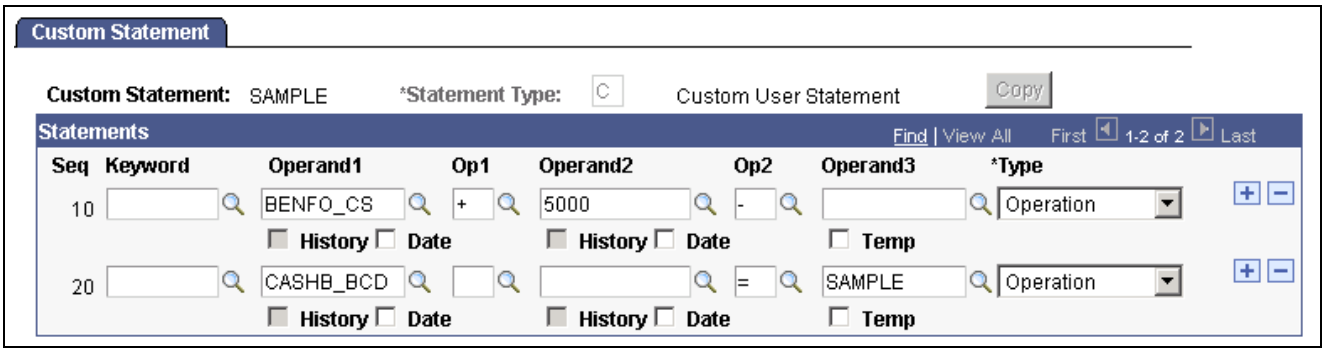
Perhaps the simplest use of the custom statement is for mathematical operations. This section looks at some sample clauses.



Simple mathematical operation

This very simple case is performing a mathematical operation (addition) using two operands. Notice that the clause type is operation, which indicates that this is a mathematical operation. Also notice that the result of the operation is assigned to the variable SAMPLE, which is the name of the custom statement. This is required of all mathematical equation types in order to associate the name of the custom statement with the final value.

Here is an example of adding another component:



Extended mathematical operation

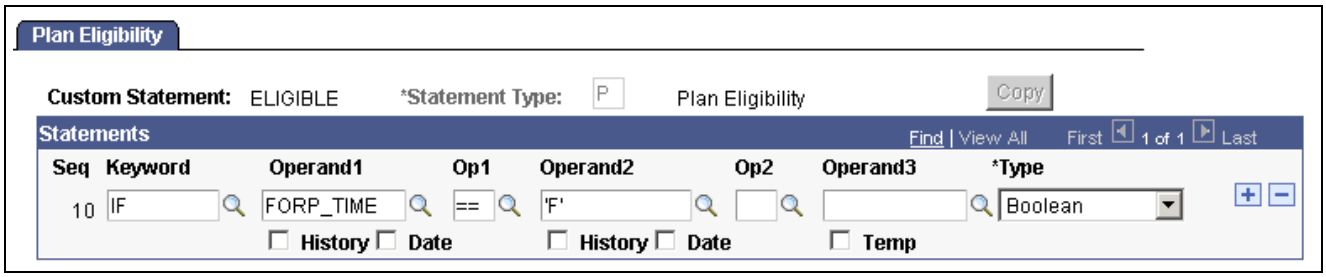
The operation skips the Operand3 field and continues. You can continue as long as you like, using just the first two operand fields and the first two operator fields. The third operand field is reserved for assigning intermediate (temporary) or final results to variable names.

Setting Up Group Definitions

When you use the Custom Statement page to set up groups, you set up IF statements comparing employee data, referenced by aliases, to specified values. You have to enclose a value in single quotation marks to indicate that it is a literal value, rather than an alias.

For example, if you use the delivered alias FORP_TIME to look up an employee's full-time or part-time status, the following custom statement checks whether the status is *F* (full-time). If the status is full-time, the employee is in the group; otherwise, the employee is not.

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Group statement

You can enter AND and OR connectors in the Op2 field to string together multiple conditions.

When you reference a database alias, it is important to know the valid values for the field. For example, if you use the FORP_TIME alias, a full-time employee has the value ’F’ (not ’FT’ or ’FULL’). If you set up a custom statement that checks for `FORP_TIME = 'FT'` no employees will meet the criteria. If a field has its valid values defined on the Translate table, you can verify its values using Application Designer.

Notice that there is no assignment to the Operand3 field. Group definitions do not require this assignment. When an employee meets the conditions, a *Y* (yes) value is assumed; otherwise, an *N* (no) value is assumed.

Assigning Final and Temporary Variables

Custom statements use only the Operand1 and Operand2 fields for the actual operation. The Operand3 field is reserved for assigning variable names to results.

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

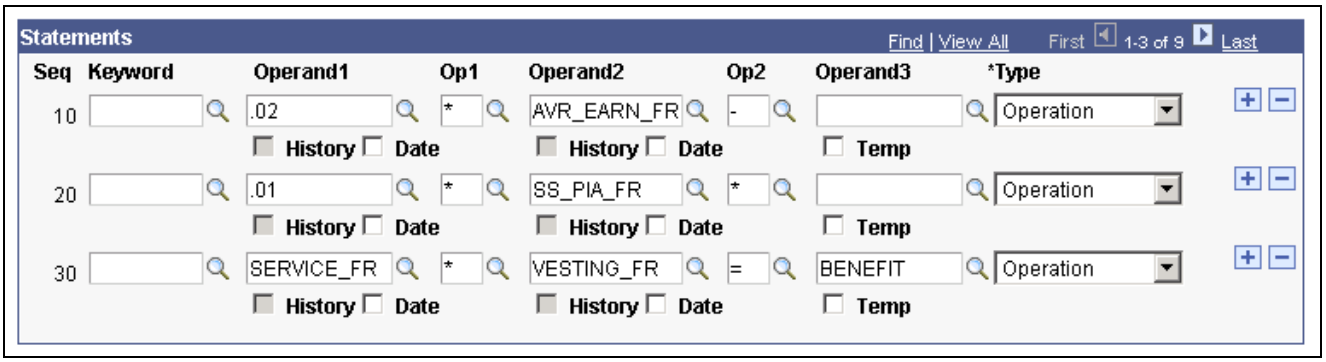
You can also assign intermediate values to temporary variables. You might do this, for example, to set up complex clause groupings.

Making Final Assignments

For mathematical equations (custom user statements and benefit formulas) you must explicitly assign a final “answer” to the custom statement. For group statements (Group Definitions, Plan Eligibility, Spouse Eligibility, and Status Code Definitions), the system takes care of this final assignment automatically.

You make a final assignment by entering the “assign to” operator (=) in the Op2 field and the custom statement name in the Operand3 field. For example, in a custom statement called BENEFIT, the final clause includes the “assign to” operator (=) in the Op2 field and BENEFIT in the Operand3 field.

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Final variable assignment

Making Multiple Final Assignments

You can make multiple assignments within a single custom statement, but you need to be extremely careful, as these assigned values will remain fixed throughout the rest of the calculation.

To make multiple final assignments, simply add the additional assignment clauses. For example, you can set up custom statement XYZ with the following parameters:

```
If      "A" equals   B
Then   "C" assign to   D
       "E" assign to   F
```

with the caveats that:

- There must be aliases called D and F.
- D and F cannot be referenced before custom statement XYZ in the jobstream.

  If they were, they would already have values, and this attempt to assign new values would fail.
- Any references to D or F later in the calculation will use these values.

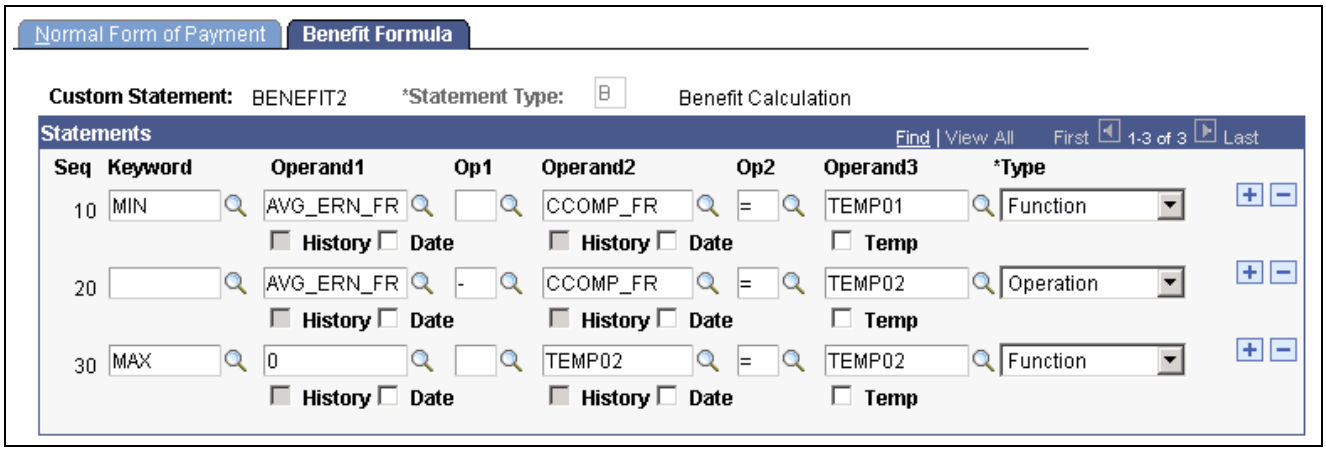
  You cannot reassign the values, even by processing the D and F custom statements.

Warning! You should generally avoid making multiple assignments within a custom statement. Results may be unpredictable if you have subsequent assignments to the same variable. If you do make multiple assignments, be sure to perform a thorough analysis of your calculation jobstream to look for previous and subsequent references to any secondary variables.

Making Temporary Assignments

You can make temporary assignments in order to help you group your clauses when the default processing is not the desired method. There are predefined temporary variables that you can use in custom statements in order to reference intermediate results later in the same statement.

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Temporary variable assignment

In the example shown, clause 30 references the temporary variable that you created in clause 20. You can assume that later clauses will reference the temporary variables you created in clauses 10 and 20, since that is the only reason to set them up in the first place.

Notice that the example uses the same temporary variable, *TEMP02,* in clauses 20 and 30. Once you reuse the name in clause 30, the value that it had in clause 20 can no longer be referenced.

When you set up a temporary assignment, assign one of the following predefined temporary variables:

- For characters and dates, use *TEMPC00* through *TEMPC99.*
- For numbers, use *TEMP00* through *TEMP99.*

If you select the Temp check box under the Operand3 field, you can press F4 to display a list of the temporary variables when your cursor is in the Operand3 field. You do not, however, have to select the Temp check box in order to use a temporary variable. You can just type it. Because this is just a data entry aid, the mark in the check box is not preserved when you close and open the page.

You can set up separate custom statements for each temporary variable. If you do this, however, the variable is no longer temporary. For example, if a benefit formula is the maximum of Benefit A and Benefit B, you can set up custom statements for each of the component formulas and then reference them from the Benefit Formula statement. This approach can help you shorten some custom statements. In addition, this is the most efficient way to set up aliases when you need the intermediate values for other purposes.

The intermediate results are not shown in the calculation worksheet, regardless of whether you use temporary variables or standalone custom statements. In order for the worksheet to display the values, you have to set up each component as a benefit formula function result.

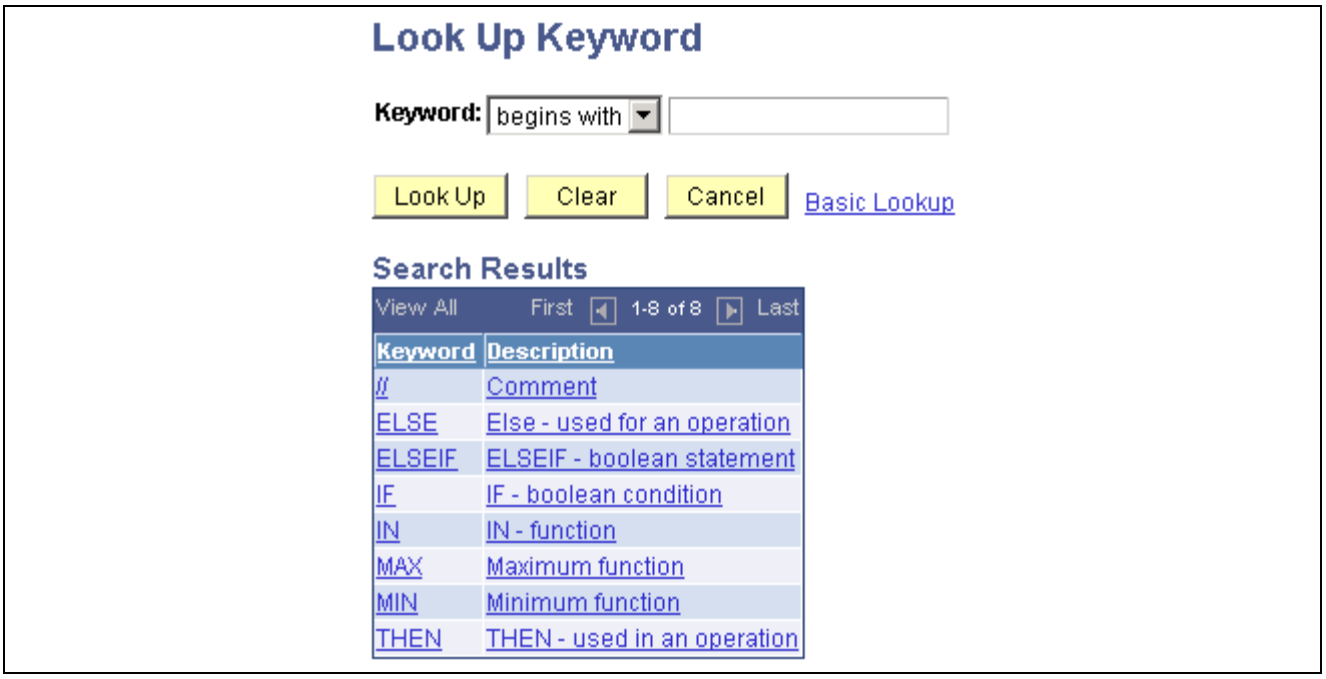
Using the Three Types of Clauses

This chapter has looked briefly at the three types of clauses:

- Operation
- Boolean
- Function

The following shows the available keywords:

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Prompt for valid keywords

Notice that the description for each keyword includes the associated clause type. The comment is the one keyword that is not associated with a type. The system ignores comment clauses when resolving a custom statement. You can use them for any incidental information that you want displayed online, but ignored in processing.

Note. You do not see comments in the equation at the bottom of the Custom Statement page.

Configuring Operands

The Date and History check boxes underneath the Operand1 and Operand2 fields indicate certain characteristics of the data in the operand field.

Formatting Date Constants

On most PeopleSoft pages, you can enter an unformatted date. For example, you can enter *01012008* for January 1, 2008, and the system automatically reformats your entry to 01/01/2008. There is no need to enter the slashes or any other separator.

However, if you enter an unformatted date into one of the operand fields, the custom statement treats it as a number. In order to indicate that the eight digits actually represent a date and not a number, select the *Date* check box beneath the operand. This is only necessary when you enter unformatted dates. If you include a separator (a slash, dash, or space) when you enter a date, you do not have to select this check box.

Note. Custom Statement pages require you to enter eight-digit dates—that is, you need to include the century. This is different from most PeopleSoft pages, which accept six-digit dates. For example, on the Custom Statement page, enter January 1, 2005 as 01/01/2005, not as 01/01/05.

When you use a date alias, there is no reason to select the *Date* check box; the system already knows the value is a date and has formatted it appropriately.

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Using History

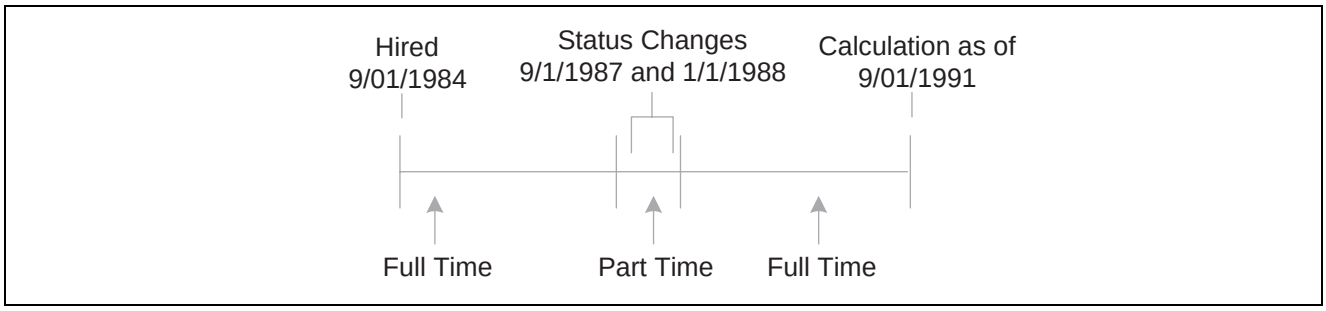
When you use a custom statement to define groups, the statement can evaluate the eligibility requirements over time and build a timeline of eligible and ineligible periods. This is a very powerful feature, and is key to evaluating plan eligibility and group membership.

To activate this feature, select the History check box underneath all effective-dated variables.

Note. You should always use the History check box for aliases to effective-dated fields. You cannot use it with fields that are not effective-dated because there is no history to reference.

For example, suppose you are setting up a group for full-time employees.

The group function looks at the employee data over time and creates a timeline. For example, Julius Jones worked part-time for three months after his daughter was born and therefore has the following work history:



Work history

If you do not select the History check box, there is only one work history segment. In Julius' case, the custom statement would only look at the current information and thus would indicate that he had always been part of the full-time group.

If Julius left the company while he was working part-time, and you do not select the History check box, there is a single result showing that Julius has never been part of the full-time group. This happens because his status at the time of the calculation is part-time. The fact that the he was previously in the group is disregarded.

Using Literal Operands

If you use custom statements to look for a literal value, be sure to put quotation marks (single or double) around the value. The same rule applies to making literal assignments.

If you do not use quotation marks, the system treats a value beginning with a number as a number and a value beginning with a character as an alias.

Note. The system prevents you from creating alias names that begin with numbers so that the custom statement can make this assumption.

Setting Up a Spouse Eligibility Statement

Certain plans, particularly public sector plans, offer spouses an automatic joint and survivor benefit continuation. That is, the spouse gets the benefit continuation without there being any actuarial reduction to the employee's benefit. If you sponsor a plan with this feature, you incorporate the automatic benefit into the normal form of payment parameters in your benefit formula. You must also create a spouse eligibility custom statement.

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Some plans that offer automatic benefit continuation have spouse eligibility requirements for the automatic benefit, such as a minimum time span between marriage and benefit commencement. This requirement is entered in a spouse eligibility custom Statement using a Boolean IF clause. When plans that offer automatic benefit continuation do not have such a requirement, a dummy spouse eligibility custom statement must be created.

For example, to set up a requirement that the employee be married for a year, you would first create a duration to measure the time between the marital status date and the event date (both are delivered aliases). The custom statement would then have a single clause evaluating whether this duration is greater than one. To set up a dummy statement that is always true, you can use a simple statement such as this: `if 'yes' equals 'yes'`

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

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363

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CHAPTER 35

Creating Action and Reason Categories

This chapter provides an overview of action and reason categories and discusses how to:

- Reference action and reason codes.
- Use action and reason categories.
- Set up HR action and reason categories.

Understanding Action and Reason Categories

A pension is often based on the entire work history of an individual. An employee's service, consolidated hours, and consolidated earnings are determined by using action and reason code histories, which analyze data from different points in an employee's career. For example, employees on disability or on certain types of leaves may require service adjustments or hours and earnings generation.

You incorporate these requirements into your plan rules by referencing the action and reason fields in employees' job histories.

Referencing Action and Reason Codes

The PeopleSoft Enterprise HRMS system comes with a basic set of action codes. Pension calculations do not assume anything about the relevance of particular action codes. This is because your company may use these codes differently from another company, or you may modify the delivered codes. Therefore, the pension functions that look at an employee's action history, service and consolidations, require that you specify the codes that impact pension calculations.

Your company may have any number of action codes that are treated the same in specific situations. For example, all hire and rehire actions might fall into a single category for service purposes. To eliminate the tedious work of identifying all significant action and reason combinations in the consolidation and service pages, you set up categories for codes that are treated similarly.

If an action is treated differently depending on the associated reasons, you can specify which reasons belong in which category. For example, paid leaves of absence are treated differently from unpaid leaves.

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Using Action and Reason Categories

This section provides an overview of the pension job stack and discusses how to use action and reason categories with pension functions.

Understanding the Pension Job Stack

Although many action and reason events are important to pensions, others are not. For example, assignment completion is unlikely to impact pensions. Even events that may seem to be significant for pensions may turn out to be irrelevant. For example, a transfer action is not itself significant, but the new location or job may be.

At the beginning of every pension calculation, the system identifies all the codes you include in action and reason categories and creates a *pension job stack.* This is a job history that excludes all the events that have irrelevant action and reason codes.

Then, when you calculate service and consolidations, the pension functions further filter the job stack to include only the action codes referenced in a function's parameters.

Using Action and Reason Categories with Pension Functions

Three Pension Administration functions reference action and reason categories: service, consolidated earnings, and consolidated hours.

Using with Service

Service calculations break an employee's career into segments, based on the action and reason history.

For the elapsed time and hours equivalence methods, indicate which categories of actions and reasons start and stop service. You can apply minimums and maximums for particular statuses.

Hours counting service uses the segments only for applying minimum and maximum accruals. The action and reason history does not control service accruals because service is based on the actual hours worked, as recorded by payroll.

Using with Consolidated Earnings and Consolidated Hours

Earnings and hours consolidations use action and reason histories to:

- Generate earnings and hours for specified statuses.
- Identify partial periods based on events occurring during the period.
- Identify hire and term periods in order to annualize earnings and hours from those periods.

Earnings consolidations use action and reason histories for two other purposes as well:

- You can determine the partial period fraction, the portion of the period during which the hours and earnings are attributed, using the action and reason history.
- If you calculate earnings based on compensation rate, you can exclude pay earned during a particular status.

Setting Up HR Action and Reason Categories

To set up action and reason categories, use the Job Event Categories (ACTION_CATEGORY) component.

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This section provides an overview of categories, lists the page used to set up action and reason categories, and discusses how to create the action and reason categories.

Understanding Categories

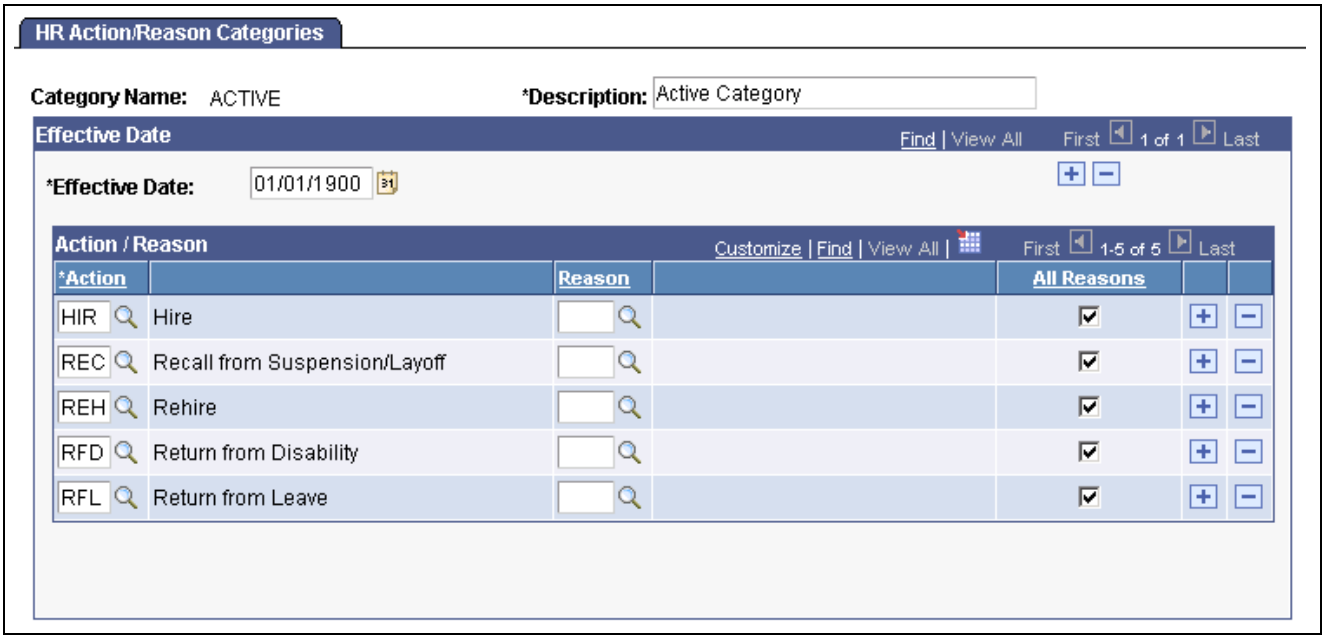
You can only reference action and reason codes through categories. Even if a category consists of just a single action code or action and reason code combination, you must create the category in order to reference the code in service and consolidation rules.

Page Used to Set Up Action and Reason Categories

Page Name	Object Name	Navigation	Usage
HR Action/Reason Categories	PA_HR_CATEGORY	Set Up HRMS, Product Related, Pension, Status Rules, Job Event Categories, HR Action/Reason Categories	Create a category and add HR action and reason code combinations.

Creating the Action and Reason Categories

Access the HR Action/Reason Categories page.



HR Action/Reason Categories page

Action Select the HR action codes to include in the category.

Reason Select the specific reason codes to include in the category, or select All Reasons to include all the reason codes in the category.

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CHAPTER 36

Using Actuarial Assumptions

This chapter provides an overview of actuarial assumptions and discusses how to:

- Apply actuarial assumptions.
- Establish actuarial assumption sets.
- Determine actuarial factors at non-integer ages.
- Gather data for a plan's annual actuarial valuation.

Understanding Actuarial Assumptions

Actuarial calculations adjust benefit amounts to an equivalent amount for a different commencement date or for a different form of payment. The conversion is based on specified assumptions about mortality, interest, and payment frequency. Together these assumptions constitute an actuarial assumption set.

Applying Actuarial Assumptions

Certain pension objects use actuarial assumptions to calculate actuarial factors:

Where Actuarial Assumptions are Used	How Actuarial Assumptions are Used
Early and late retirement factors	Determines an early or late retirement factor. Actuarially-derived early and late adjustments are, in turn, incorporated into 415 limits definitions to adjust a limit for early or late commencement.
Optional forms of payment	Converts the normal form of a benefit to optional forms.
Actuarial factor alias	Determines factors for converting from one payment form to another. The factors can be used in several places. One important usage of the actuarial factor alias is within employee-paid benefit definitions, where the system uses the factor to convert the projected employee account balance to an annuity.

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Establishing Actuarial Assumption Sets

To set up action and reason categories, use the Actuarial Assumptions (ACTUARIAL_FACTORS) and Mortality Rates (MORTALITY_RATES) components.

This section provides an overview of the pages used to establish actuarial assumption sets, lists pages used to establish actuarial assumption sets, and discusses how to:

- Set up mortality assumptions.
- Set up an interest rate assumption.
- Enter payment information.
- Set up mortality rates.

Understanding the Pages Used to Establish Actuarial Assumption Sets

Actuarial adjustments depend on assumptions about mortality rates, interest rates, and payment timing.

Pages Used to Establish Actuarial Assumption Sets

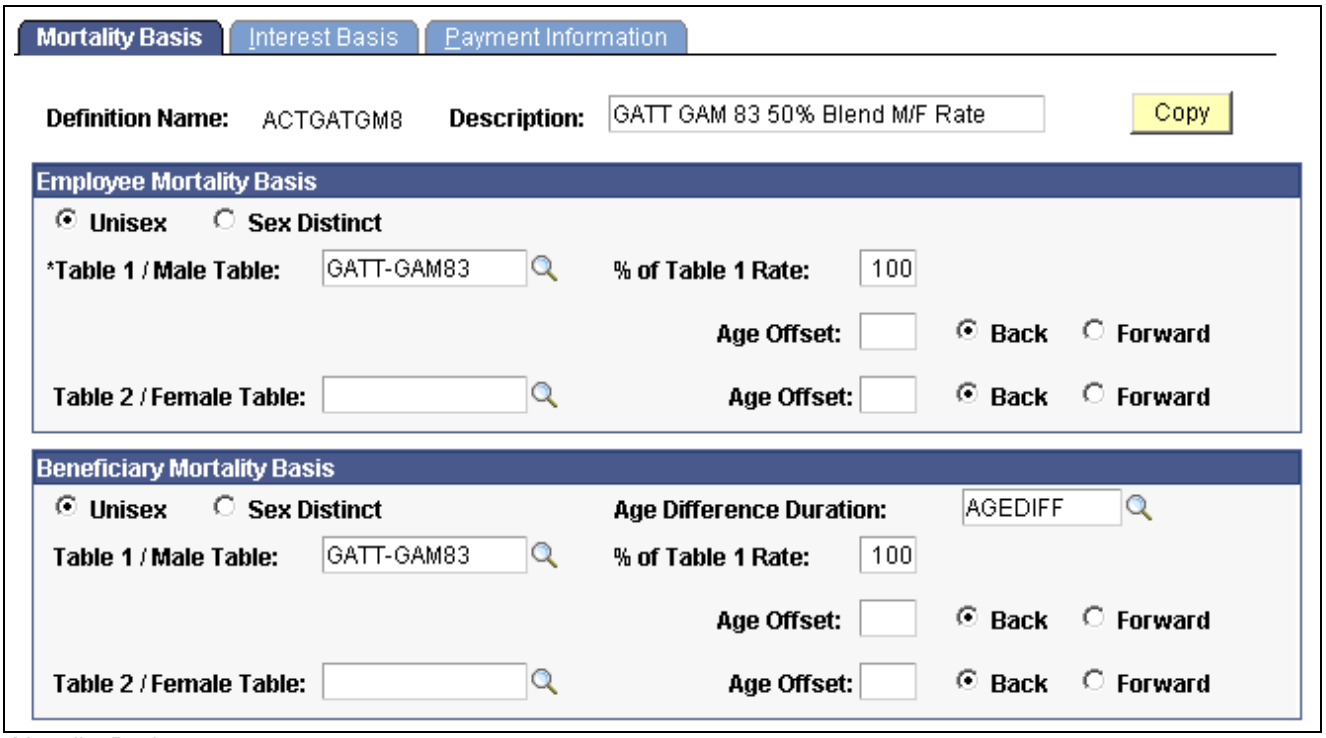
Page Name	Object Name	Navigation	Usage
Mortality Basis	PA_FACTORS_MORT	Set Up HRMS, Product Related, Pension, Calculation Rules, Actuarial Assumptions, Mortality Basis	Set up the mortality basis table to use and any adjustments you make.
Interest Basis	PA_FACTORS_INT	Set Up HRMS, Product Related, Pension, Calculation Rules, Actuarial Assumptions, Interest Basis	Set up an interest rate assumption.
Payment Information	PA_FACTORS_PAYMT	Set Up HRMS, Product Related, Pension, Calculation Rules, Actuarial Assumptions, Payment Information	Set up the payment timing assumptions.
Mortality Rates	PA_MORT_RATES	Set Up HRMS, Product Related, Pension, Calculation Rules, Mortality Rates, Mortality Rates	Set up the assumed death rates by age.

Setting Up Mortality Assumptions

Mortality tables include assumptions about annuitants' life expectancies. You set up the mortality tables before you establish the assumption sets.

Access the Mortality Basis page.

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Mortality Basis page

Employee Mortality Basis and Beneficiary Mortality Basis

An annuity provides an ongoing benefit for the life of a participant. Some payment forms also provide a continuing annuity for a beneficiary. Your actuarial assumption set must therefore have both an employee mortality basis and a beneficiary mortality basis. The parameter sets are identical, but they are applied to different individuals.

Unisex or **Sex Distinct**

Select Sex Distinct to use one table, and select the table name in the Table 1 / Male Tablefield.

Select Unisex to use a blend of male and female mortality tables. Then select the table names in the Table 1 / Male Table and Table 2 / Female Tablefields. In the % of Table 1 Rate field, enter a percentage that indicates the weight to assign to Table 1 in determining the final rate. For example, if you enter *75,* the system computes the blended rate by adding 75 percent of the Table 1 rate and 25 percent of the Table 2 rate.

Some tables—for example, the GAR94 and the GATT_GAM83 tables, which are supplied with the system—already include blended rates.

Note. You only use sex distinct tables for reproducing historical calculations. It is currently illegal to use sex distinct mortality tables.

Age Offset

Select this option to use the mortality rate for an age which is a specified number of years older or younger than the actual age of the participant or beneficiary. Enter the number of years to adjust by, and select either Back or Forward to indicate whether the adjustment is to a younger or older age.

Age Difference Duration

This options appears only in the Beneficiary Mortality Basis group box. Enter a duration that measures the difference between the employee and

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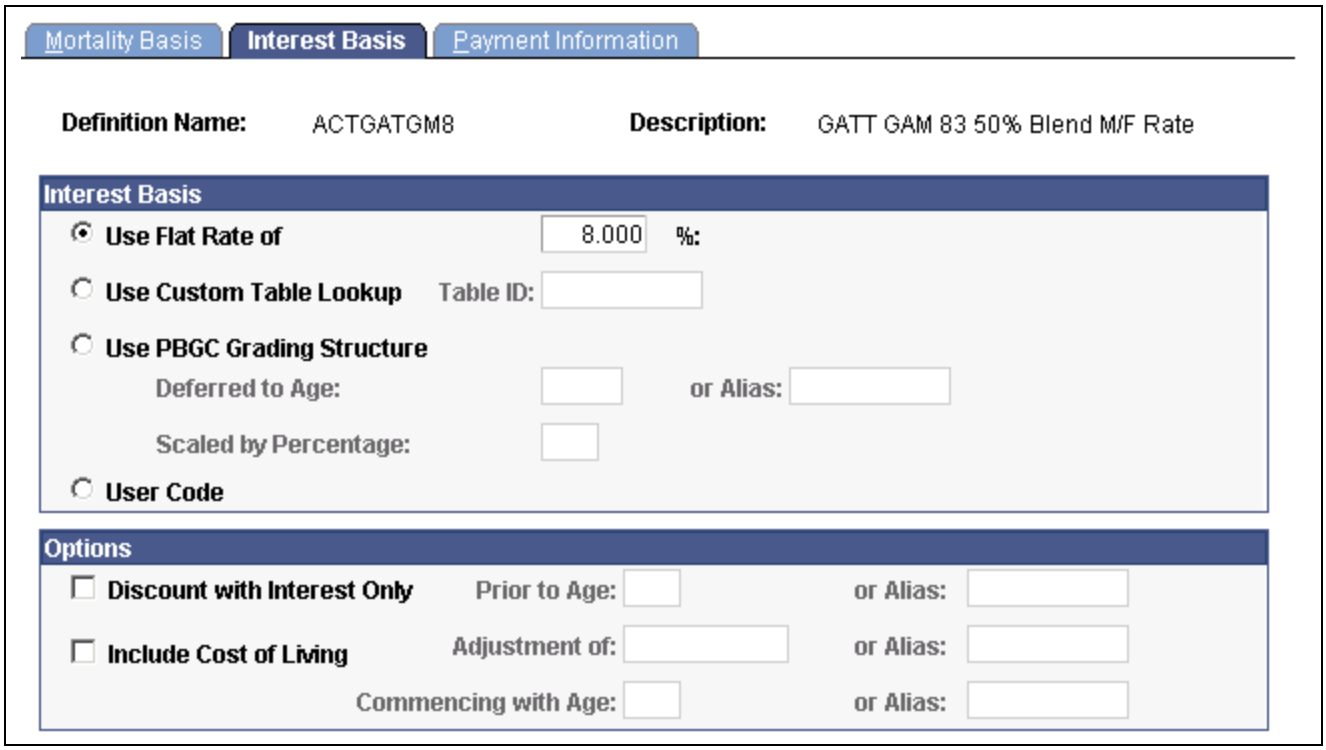
beneficiary ages. This enables the system to more efficiently access the appropriate mortality information.

Note. You do not need the actual employee and beneficiary ages at this point. You put those in the definitions of the functions that use actuarial assumptions.

Setting Up an Interest Rate Assumption

An actuarial assumption set must include an interest rate assumption. This enables the calculation to consider the potential gain or loss of interest resulting from an early or late benefit commencement.

Access the Interest Basis page.



Interest Basis page

Interest Basis

Select one of the following options, and enter information in the associated field or fields.

Use Flat Rate of Select this option to use a specified interest rate, and enter the assumed interest rate in the adjacent % field.

Use Custom Table Lookup Select this option to use a table of interest rates. In the Table ID field, enter the name of a table lookup alias to reference the table.

Note. PeopleSoft delivers a rate table for 30-year treasury bond rates. If you use this table, you still need to set up a table lookup alias to reference it.

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Use PBGC Grading Structure (use Pension Benefit Guaranty Corporation grading structure)

Select this option to use the PBGC grading structure. This grading structure applies interest over a number of years, typically from the event date to the benefit deferral date if, for example, an employee terminates at age 40 but does not receive a benefit until age 65. The PBGC grading structure includes:

- An immediate interest rate after the deferral date.
- An interest rate for a defined period prior to the deferred age (for example, the first seven years before the deferral date).
- An interest rate for a defined period prior to that.
- An interest rate for all other years back to the event date.

If you use PBGC grading, also enter information in these fields:

- Table ID: Enter the name of a table lookup alias for a table that provides the "immediate rate." The system then derives the additional rates that make up the graded structure. Normally, you reference the PBGC rate table, although theoretically you can use any rate table.
- Deferred to Age: Enter the age at which the benefit is assumed to commence. You can enter either a constant age, such as age 65, or an alias, such as the benefit commencement date.
- Scaled by Percentage: To scale the PBGC rates by a factor, enter an annual scaling percentage. For example, enter *120* to increase the immediate rate and any applicable deferred rates by 20 percent.

  Enter 100 as the default rate.

See Chapter 59, "Maintaining Public Tables," Looking Up PBGC Interest Rates, page 634.

Options

Select one or more of the following options, and enter information in the associated field or fields.

Discount with Interest Only Select this option to disregard the mortality rates for employees under a certain age and instead use the interest assumptions. Specify the cutoff age in the Prior to Age field.

Include Cost of Living Select this option if you want the assumption set to take into account an assumed cost of living adjustment (COLA).

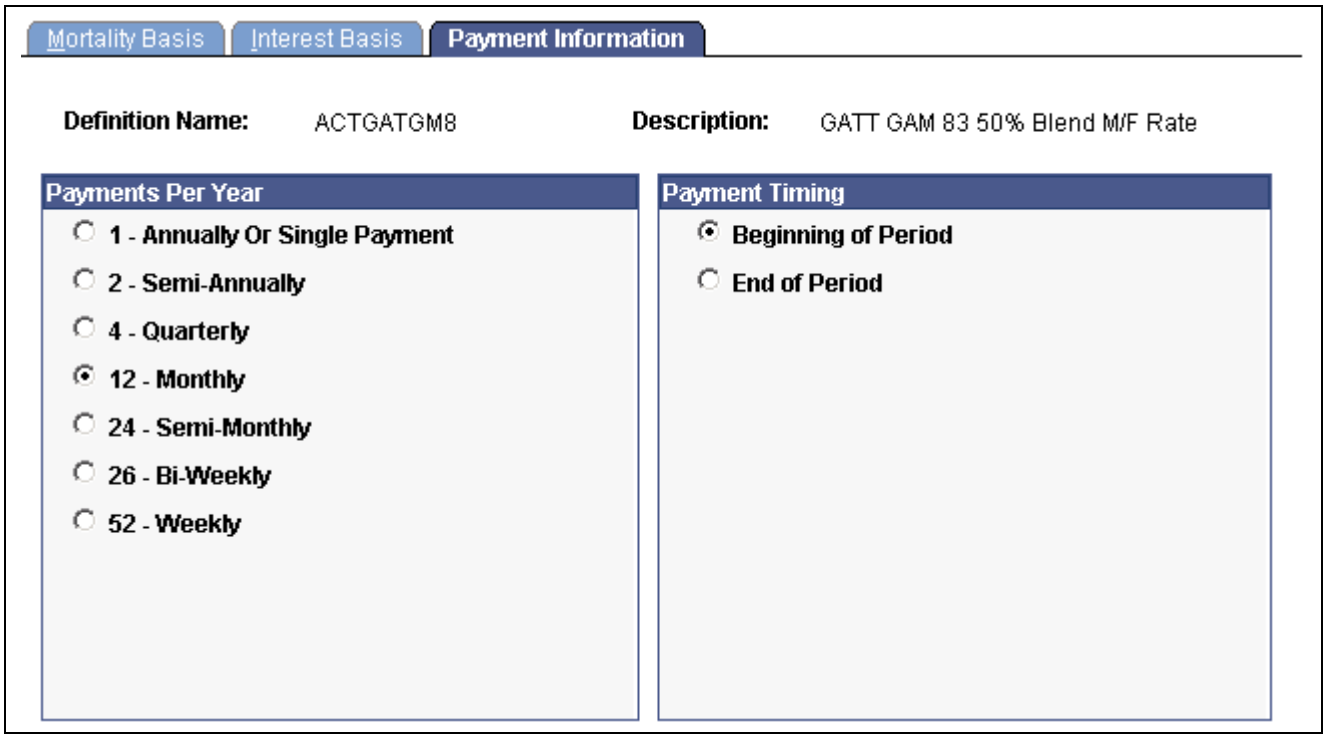
In the Adjustment of field, enter the adjustment percentage.

In the Commencing with Age field, enter the age when you assume the adjustment is to occur.

Entering Payment Information

Access the Payment Information page.

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Payment Information page

Payments Per Year

Select the assumed number of payments per year.

Note. Most pension plans make 12 monthly payments.

Payment Timing

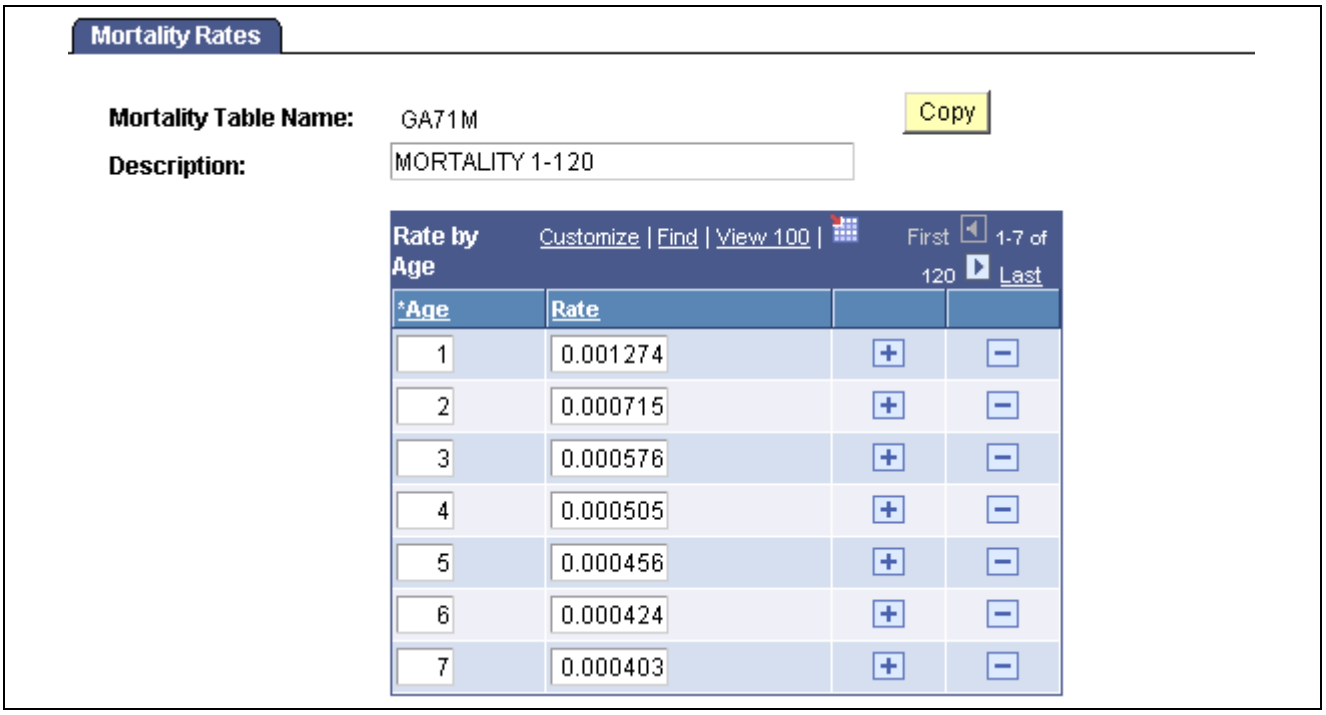
Select either *Beginning of Period* or *End of Period* to indicate when the period payments occur.

Setting Up Mortality Rates

When you create an actuarial assumption set you select a mortality table that specifies your mortality assumptions.

Access the Mortality Rates page.

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Mortality rates page

The following mortality tables are delivered:

- GA71M: Male GAM71 table
- GA71F: Female GAM71 table
- GA83M: Male GAM83 table
- GA83F: Female GAM83 table
- GATT_GAM83: The blended table using 50 percent of the GAM83 male mortality rates and 50 percent of GAM83 female mortality rates published by the IRS. As a result of the General Agreements on Tariffs and Trade (GATT), this table must now be used when actuarially increasing or reducing 415 limits and for determining the present value of lump sum payments.

Note. The 1994 Group Annuity Reserving Table, described below, has replaced the GATT_GAM83 table.

- GAR94: The blended table using 50 percent of the male mortality rates and 50 percent of the female mortality rates from the 1994 Group Annuity Reserving Table projected to 2002. This table replaces the GATT_GAM83 table when actuarially increasing or reducing 415 limits and when determining the present value of lump sum payments as a result of IRS Revenue Ruling 2001-62.
- UP1984: Unisex table.

Determining Actuarial Factors at Non-Integer Ages

Mortality tables include mortality assumptions for integer ages only. To determine annuity factors at non-integer ages, Pension Administration interpolates using the methodology shown in the following formula, which assumes you are deriving a monthly single life annuity for a participant at age 60.25:

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$$\ddot{a}^{(12)}_{60.25} = \frac{N^{(12)}_{60} * (.75) + N^{(12)}_{61} * (.25)}{D_{60} * (.75) + D_{61} * (.25)}$$

Annuity factors at non-integer ages formula (example)

In a more generic format, the equation is:

$$\ddot{a}^{(m)}_{n+f} = \frac{N^{(m)}_{n} * (1-f) + N^{(m)}_{n+1} * (f)}{D_{n} * (1-f) + D_{n+1} * (f)}$$

Annuity factors at non-integer ages formula (generic)

Where:

- *n* = integer representing whole years of age.
- *f* = decimal representing partial year of age.
- *m* = payments per year.

And:

- the left side of the equation is the actuarial factor for age *n*+*f* with payment frequency *m*.
- the numerator is the commutation function N at age *n*+*f* with payment frequency *m*.
- the denominator is the commutation function D at age *n*+*f*.

Generating Data for a Plan's Annual Actuarial Valuation

This section provides an overview of the actuarial valuation extract, lists the page used to generate an actuarial valuation extract, and discusses how to run the actuarial valuation extract.

Understanding the Actuarial Valuation Extract

The actuarial valuation extract provides data that your actuary needs in order to perform a plan's annual actuarial valuation. The extract generates two extract files:

- The "active" extract file, which contains information for those whose benefits are still accruing.
- The "inactive" extract file, which contains information for those who are owed benefits, but whose benefits are no longer accruing.

Current employees who are covered under a plan, whether or not they have begun to participate, are typically active. Terminated employees, whether receiving benefits or awaiting deferred benefits, are typically inactive.

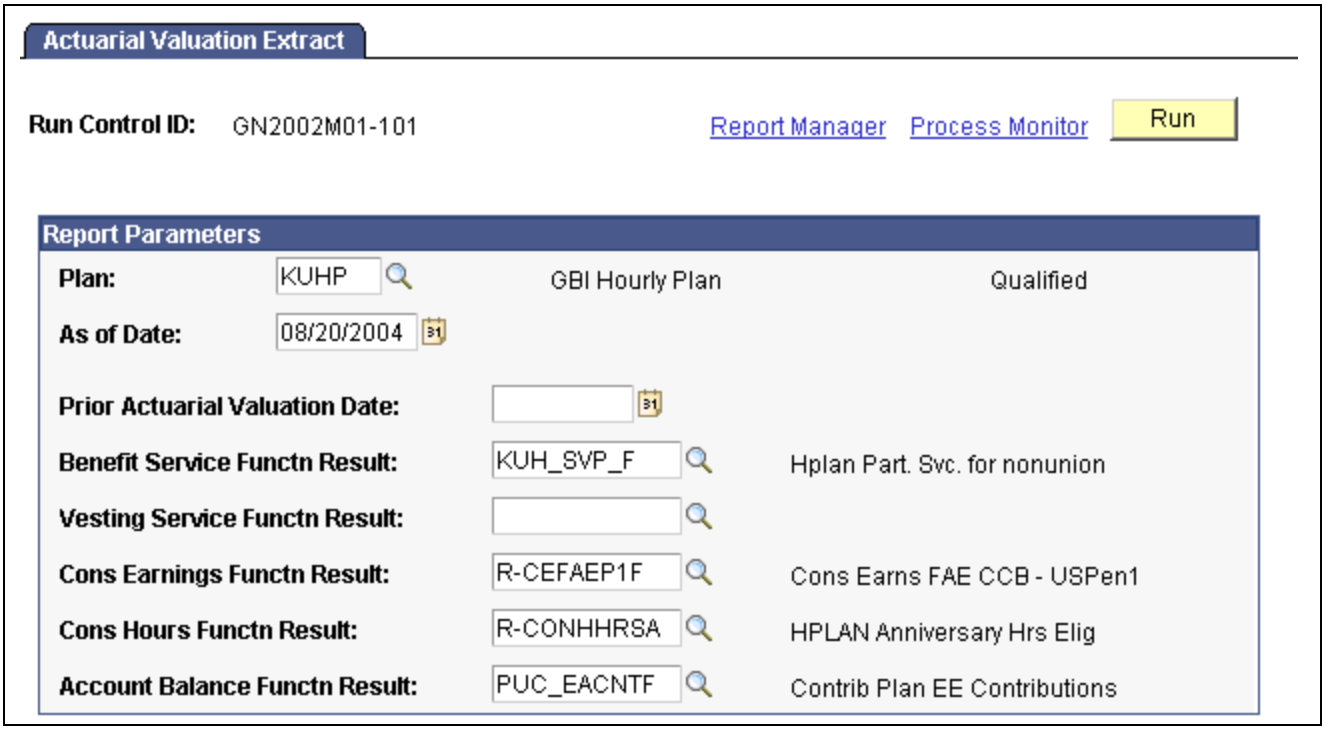
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Page Used to Generate Data for a Plan's Annual Actuarial Valuation

Page Name	Object Name	Navigation	Usage
Actuarial Valuation Extract	RUNCTL_PASAV01	Pension, Reports, Actuarial Valuation Extract, Actuarial Valuation Extract	Generate the actuarial valuation extract files that are used to perform a plan's annual actuarial valuation.

Running the Actuarial Valuation Extract

Access the Actuarial Valuation Extract page.



Actuarial Valuation Extract page

Because the actuarial valuation extract uses pension status codes, do not run the extract until you finish the periodic processing and payment processes for the year you are processing. These two processes change status codes, and you want to be sure all the status codes are current before you run the extract.

Report Parameters

To run the extract, enter the following parameters:

Plan Select the plan for which you are running the extract.

As Of Date Enter the date to establish the current year valuation category.

Prior Actuarial Valuation Date Enter the date to establish the prior year valuation category.

The current year and prior year dates are used to determine the extract files in which an employee is included: the active extract, inactive extract, or both.

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Benefit Service Functn Result, Vesting Service Functn Result, Cons Earnings Functn Result, Cons Hours Functn Result, and **Account Balance Functn Result** (benefit service function result, vesting service function result, cons earnings function result, cons hours function result, account balance function result)

Use these fields to direct the extract to the correct source of plan information that the actuary needs to see for each employee.

Note. Account balances apply only to cash balance accounts.

See Also

Appendix A, "Pension Administration Reports," Pension Administration: Selected Reports, page 648

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CHAPTER 37

Using Interest Methods

This chapter provides an overview of interest methods and discusses how to set up interest methods.

Understanding Interest Methods

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

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

You do not use interest methods with the functions that use actuarial assumption sets because assumption sets already incorporate interest rules.

Setting Up Interest Methods

To set up interest methods, use the Interest Method (INTEREST_METHOD) component.

This section provides an overview of the pages used to set up interest methods, lists the pages used to set up interest methods, and discusses setting rules for applying the interest rate over periods.

Understanding the Pages Used to Set Up Interest Methods

Pension functions that involve employee accounts or cash balance accounts must track interest credited to the accounts. After you establish an interest method, you can reference its rules on the Cash Balance Acct (cash balance account) and Emp Acct (employee account) pages.

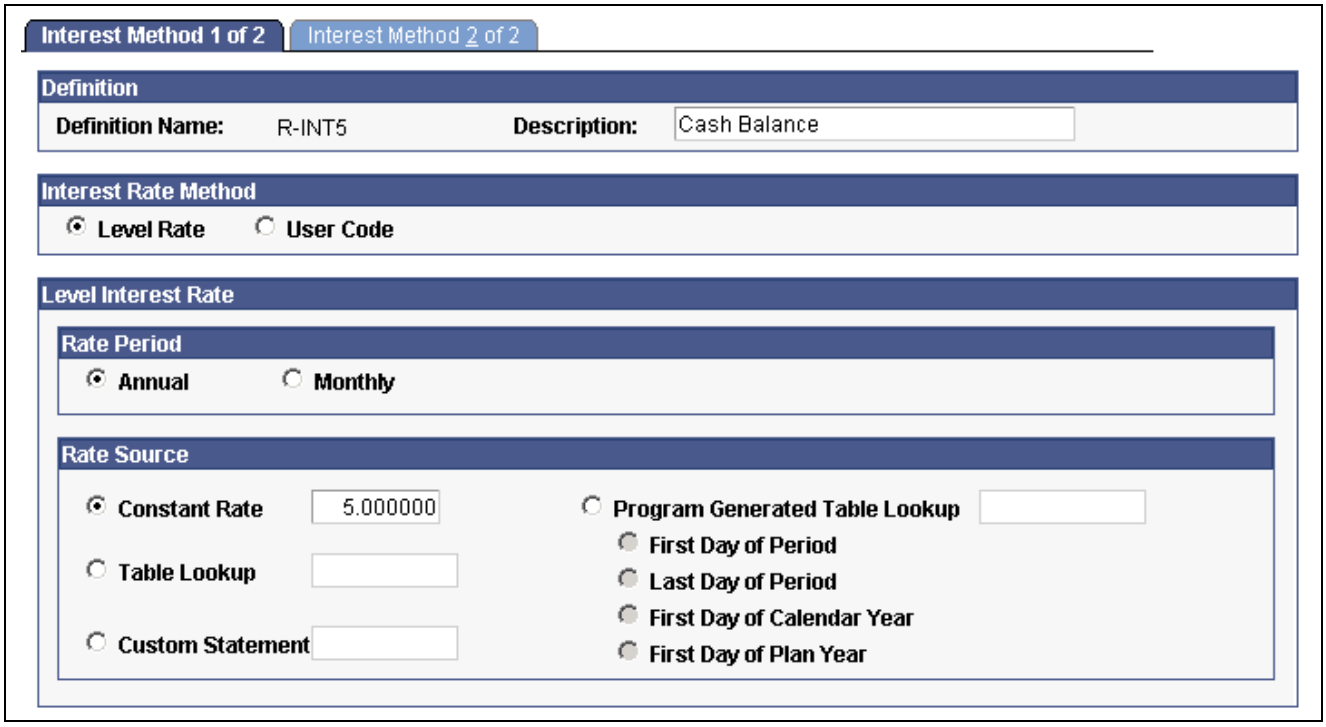
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Pages Used to Set Up Interest Methods

Page Name	Object Name	Navigation	Usage
Interest Method 1 of 2	PA_INTEREST_P1	Set Up HRMS, Product Related, Pension, Calculation Rules, Interest Method, Interest Method 1 of 2	Set the interest rate.
Interest Method 2 of 2	PA_INTEREST_P2	Set Up HRMS, Product Related, Pension, Calculation Rules, Interest Method, Interest Method 2 of 2	Set rules for applying the interest rate over full periods and partial periods.

Setting the Interest Rate

Access the Interest Method 1 of 2 page.



Interest Method 1 of 2 page

Interest Rate Method

Level Rate Select this option unless you use your own user code.

User Code Select this option to use your own user code.

Level Interest Rate - Rate Source

Constant Rate Enter the annual or monthly constant interest rate.

Table Lookup This option provides a single rate to use at all times. It is not commonly used. More likely you want to vary the interest rate—for example, to get

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the federal midterm rates at the beginning of each year. In this case, use a program-generated table lookup instead.

Custom Statement Enter an alias.

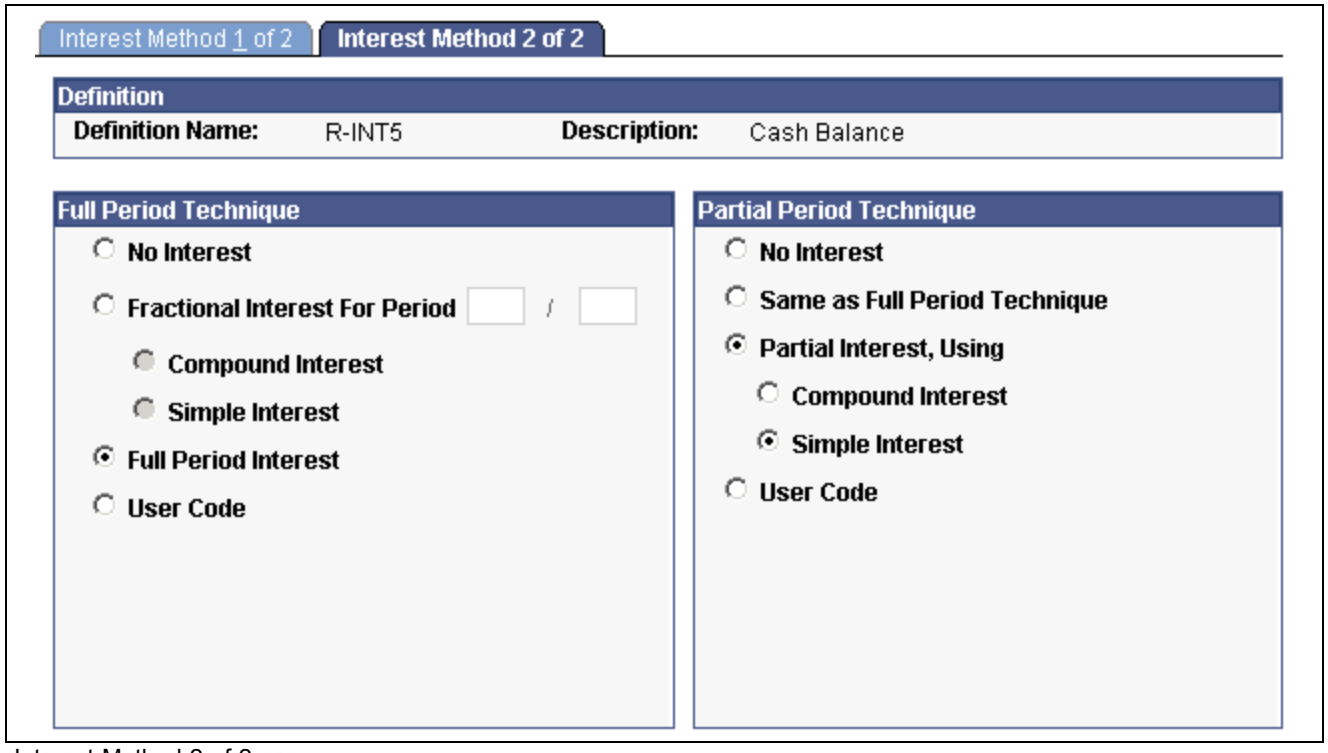
Program Generated Table Lookup The option enables you to look up interest rates that vary over time. For example, if you apply interest based on the federal midterm rates that are in effect on the first day of the month, you vary the rate. Therefore, you use a program-generated table lookup.

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

Note. The text box for program-generated table lookups prompts against this type of table lookup. If you do not see the alias you're looking for, verify that you have identified the lookup as a program-generated table lookup on the Table Lookup Alias page.

Setting Rules for Applying the Interest Rate over Periods

Access the Interest Method 2 of 2 page.



Interest Method 2 of 2 page

Full Period Technique

No Interest You can use this option for both full and partial periods.

Fractional Interest for Period If you use this option for full periods, you can approximate the interest that would be credited if contributions were collected at intervals throughout the period. For example, if contributions were collected monthly over an annual period, employees would receive 12 months of interest on the first

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contribution, then 11 months of interest on the next, and so on until they receive one month of interest on the last month. An approximation of the total interest on the consolidated annual amount would be the average amount of interest, which would be five and a half months of interest, or 11/24 of the year. You enter this fractional amount in the text boxes next to this option—for example, enter *11* / *24*.

With fractional interest, you can select compound or simple interest:

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

```
[Amount × (1 + rate) period fraction] – amount
```

- When you select Simple Interest, the interest formula is:

```
Amount × rate × period fraction
```

Partial Period Technique

Partial Interest, Using This option prorates interest over the number of days in the partial period.

With partial interest, you can select compound or simple interest:

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

```
[Amount × (1 + rate) period fraction] – amount
```

- When you select Simple Interest, the interest formula is:

```
Amount × rate × period fraction
```

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CHAPTER 38

Applying Section 401(a)(17) Earnings Limits

This chapter provides an overview of Section 401(a)(17) limits and discusses how to establish Section 401(a)(17) parameters.

Understanding Section 401(a)(17) Limits

Section 401(a)(17) limits are the maximum amounts that the Internal Revenue Service (IRS) sets for the annual earnings that can be used in pension benefits (these limits are also called "pay limits"). The IRS changes these limits every year or so.

There are a number of ways to apply these limits. You set up 401(a)(17) parameters to reflect your plan's interpretation of how these limits are used.

Three of the Pension Administration core functions incorporate earnings data and thus may need to apply 401(a)(17) limits:

- Final average earnings (FAE).
- Cash balance accounts, which calculates credits as a percentage of earnings.
- Employee accounts, which uses projected earnings to estimate future contributions.

You apply 401(a)(17) limits after consolidating earnings; therefore, consolidation rules do not use limit rules.

When you use 401(a)(17) limits for final average earnings, the limits are applied before the system determines the periods of highest earnings. For example, if a final average earnings definition averages the five years of highest earnings, the system applies the limits to the consolidated earnings before determining which years have the highest earnings. Additionally, the final average earnings cannot be higher than the 401(a)(17) limit in effect on the event date.

If your consolidated earnings use a payroll special accumulator that is already set up to conform to 401(a)(17) limits, you do not need to set up or apply these limits in the pension system. However, if you sponsor a nonqualified limit plan that gives participants the difference between their limited and unlimited benefit from a qualified plan, you will find that there are advantages to using the pension system's 401(a)(17) functionality. If you incorporate 401(a)(17) limits into pension rather than payroll, the system can calculate both limited and unlimited values for final average earnings and cash balance accounts. When you build your nonqualified plan, therefore, you can simply reference existing results; there's no need to clone the entire qualified plan.

Establishing Section 401(a)(17) Parameters

To set up Section 401(a)(17) parameters, use the 401(a)(17) Parameters (401(A)17_PARMS) component.

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This section provides an overview of Section 401(a)(17) parameters, lists the page used to set up Section 401(a)(17) parameters, and discusses how to:

- Set up Section 401(a)(17) parameters.
- Limit by period or year.
- Use a 12 consecutive month basis with annual consolidations.

Understanding Section 401(a)(17) Parameters

When you apply 401(a)(17) limits, consider the following:

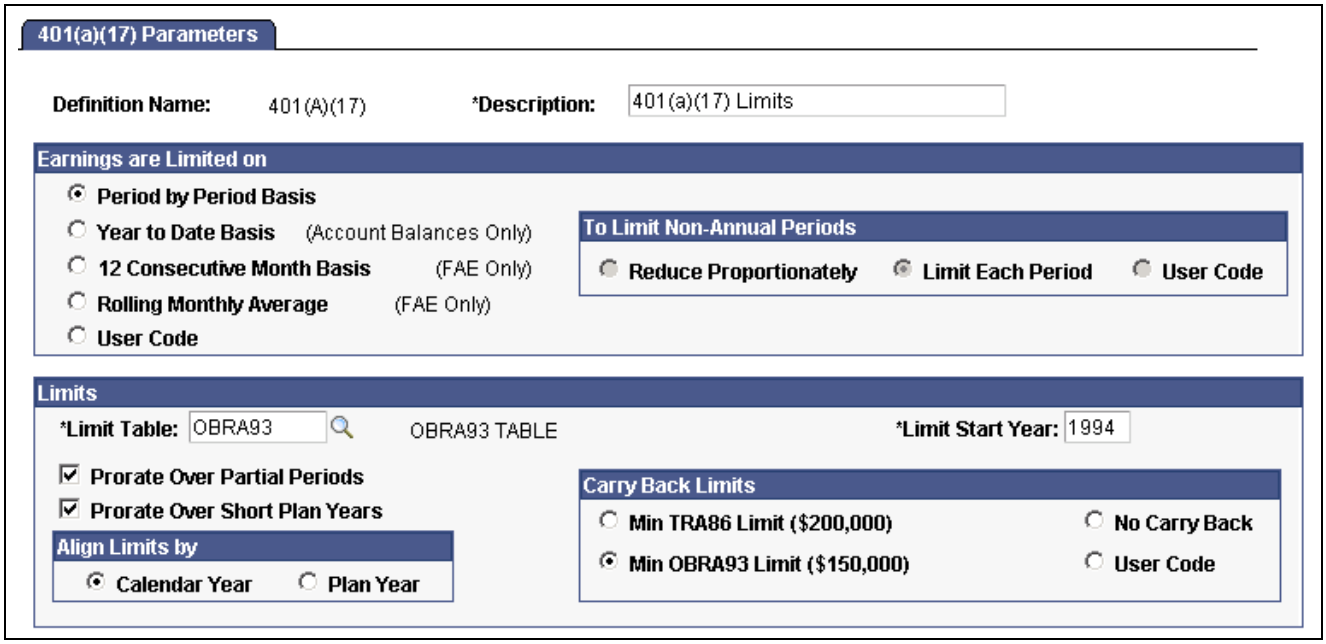
- Your earnings periods may be periods other than calendar years. If this is so, you need to determine the appropriate limits to apply.
- If the limit applies to earnings from more than one period, either because you use monthly periods or because your limit periods are made up of portions of separate consolidation periods, you have to determine how much to reduce each consolidation period.

Page Used to Set Up Section 401(a)(17) Parameters

Page Name	Object Name	Navigation	Usage
401(a)(17) Parameters	PA_401A17_PARMS	Set Up HRMS, Product Related, Pension, Calculation Rules, 401(a)(17) Parameters, 401(a)(17) Parameters	Set up 401(a)(17) parameters.

Setting Up Section 401(a)(17) Parameters

Access the 401(a)(17) Parameters page.



401(a)(17) Parameters page

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The 401(a)(17) limits are published annually by the IRS. Because the limits can change over time, it is important to identify the correct limit for each earnings period.

Earnings are Limited on

Besides identifying the limit for each earnings period, you need to specify a method for applying the limit:

Period by Period Basis

With this method, the system divides the limit by the number of periods in a year and then applies it to each period.

For annual periods, this is the same as applying the limit directly to the period.

For monthly periods, you may have some periods above the limit and others below. In this situation, the months where earnings exceed one twelfth the limit are reduced. You may end up reducing earnings even if the 12-month total is less than the annual limit.

Year to Date Basis (Account Balances Only)

This method is used only for cash balance accounts.

With this method, the system:

- For annual periods, applies the limit to the earnings and works identically to the Period by Period Basis option.
- For monthly periods, groups the periods into calendar years or plan years, depending on how you align your limits.

  In each group—including the first and last groups, which may not have 12 periods—no periods are limited until the year-to-date earnings reach the applicable limit. The period where the earnings reach the limit is reduced so that the year-to-date earnings equal the limit, and all subsequent periods are reduced to zero.

12 Consecutive Month Basis (FAE Only)

This method is used only for final average earnings.

With this method, the system attempts to eliminate short periods by redistributing earnings into allocation periods corresponding to one full year of earnings. The allocation starts with the event date and continues back in time. For example, if the final period is only a third of a year, two thirds of the prior year's earnings are lumped together with the final period. The prior period is now only a third of a year, and it appropriates two thirds of the earnings from the year before. This continues, bridging any other partial years that occur due to leaves of absence or other events. In the end, there may be one final short period at the very beginning of the employee's earnings history.

Each consolidation period is divided into segments according to the portion of the earnings that go into each allocation period. After the segments are individually limited, they are added together to get the limited earnings for the consolidation period.

The allocation periods almost always encompass multiple consolidation periods and thus span multiple calendar years. The limit is based on the first day of the last consolidation period used. Thus, if you align by calendar year, a limit period encompassing months from 2002, 2003, and 2004 uses the limit for the first day of 2004. If you align by plan year, a limit period encompasses months from the 2002–03 plan year, and the 2003–04 plan year uses the first day of the 2003–2004 period.

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Rolling Monthly Average (FAE Only)

This method is used only for final average earnings.

With this method, the system applies limits to "rolling" 12-month periods and then calculates the average earnings in the consecutive months with the highest earnings. The number of consecutive months that it includes in the calculation is specified in the FAE definition (typically, 12, 36, or 60 months).

The system uses this method to calculate the final average earnings: Starting at the current month and moving backward, it accumulates the earnings in a 12-month period. It averages these earnings and applies to that average the limit in effect at the beginning of that 12-month period. It then moves back a month (to the month prior to the current month) and repeats this process. It continues this process until it has calculated the average earnings for the entire period (that is, for the number of months specified in the FAE definition). It then selects the average earnings for the period of consecutive months with the highest average earnings (for example, 60 months out of last 120, where the FAE definition specifies 60 months).

Note. You specify the number of consecutive months in the Periods field in the Find the Highest group box on the FAE 1 of 2 page.

User Code Select this to use your own customized code.

See Chapter 38, "Applying Section 401(a)(17) Earnings Limits," Limiting by Period or Year, page 335.

To Limit Non-annual Periods

Because the limits cross multiple consolidation periods, you have to indicate which earnings periods to reduce, and how much.

Reduce Proportionately The system compares total earnings for the allocation period to the appropriate limits to find a reduction ratio. Each segment is reduced using the same factor. For example, an allocation period has two segments that together have earnings of 200,000 USD. The limit is 150,000 USD, so both segments are reduced by a factor of .75.

Limit Each Period The system determines the percentage of the allocation period that comes from each segment and reduces the limit for that segment by that percentage. For example, an allocation period has two segments: 60 percent of 2008 and 40 percent of 2007. The limit is 160,000 USD. The first segment is limited to 60 percent of the limit (96,000 USD) and the second segment is limited to 40 percent of the limit (64,000 USD). If the first segment has 180,000 USD of earnings and the second segment has 10,000 USD of earnings, then after limits are applied, the first segment has 96,000 USD and the second still has 10,000 USD. Notice that in this scenario, the total for the allocation period, 106,000 USD, is well below the 160,000 USD limit.

See Chapter 38, "Applying Section 401(a)(17) Earnings Limits," Using a 12 Consecutive Month Basis with Annual Consolidations, page 336.

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Limits

401(a)(17) limits came into effect in 1989. Calculations with an event date prior to 1989 do not use 401(a)(17) limits. If you align by plan year, event dates in the 1988–1989 plan year are also considered exempt from 401(a)(17) limits. If the event date is 1989 or later, however, you can limit all of an employee's earnings, not just earnings after 1989.

Limit Table

The system looks up the limit for each year using the table lookup utility. The table used associates calendar years with limits.

The system comes with two predefined table lookups for the most common limit tables:

- The *TRA86* table lookup uses the TRA'86 Limits table.
- The *OBRA93* table lookup uses the OBRA'93 Limits table.

You can examine both of these tables under 401(a)(17) Limits. To see the table lookup parameters, go to Table Lookup Alias.

If you look at either of the delivered table lookups, you can see that they are "program generated." This means that 401(a)(17) processing provides the lookup year for each period. If you decide to develop your own limit table, perhaps one that blends TRA and OBRA limits, be sure to make it a program generated lookup.

You can also see that the delivered lookups are set to use the maximum (that is, the latest) value when the lookup year is after the last year in the table. This means that the limit is not projected (projected earnings use the last available limits).

Prorate Over Partial Periods

Select this to prorate the limits for short periods, including the final period, when you limit on a period by period basis.

During partial periods, employees frequently have lower earnings and therefore are less likely to reach the 401(a)(17) limit.

For example, an employee with 100,000 USD of earnings in a six-month partial period is under the 150,000 USD limit. If you prorate the limit, the half-year limit is 75,000 USD, and the employee has exceeded that amount.

This option is irrelevant for the other limit methods. When you limit on a 12 consecutive month basis, partial periods are irrelevant because the system goes back to previous periods to form only complete periods. You also do not prorate when you limit on a year-to-date basis: The premise of applying the limits on a year to date basis is that your earnings count until you reach the limit, regardless of when during the year you reach that limit.

Prorate Over Short Plan Years

If you align limits by plan year, a change in plan year results in a partial period. You therefore also have the option to prorate over short plan years. This option only applies when you apply the limits on a year-to-date basis using monthly consolidations.

In order for the system to recognize short plan years, the short year must have its own effective-dated row in the Pension Plans (US) table.

Limit Start Year

Because there are no published limits for years prior to 1989, you must choose what limit, if any, to use for those earlier years. The amount you use is the "carry back" limit. It is applied to all years from the hire date until the limit start year. Beginning with the limit start year, the limits are determined based

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on the table lookup that you specified in the Limit Table field. Enter a limit start year, then select a carry back option.

See Chapter 6, "Understanding Pension Plans," page 37.

Carry Back Limits

Min TRA86 Limit ($200,000) Applies a 200,000 USD limit.

Min OBRA93 Limit ($150,000) Applies a 150,000 USD limit.

No Carry Back Years prior to the specified threshold are not limited.

Align Limits by

Regardless of the period being limited (month, calendar year, plan year, or other year), the system determines the limit based on your Align Limits by choice. This setting also determines the limit for the event date, which is used as a final limit for the final average earnings result.

Calendar Year The system uses the limit for the year that contains the first day of the consolidation period.

Plan Year The system uses the limit for the first day of the plan year that contains the first day of the consolidation period. For example, a period beginning January 1, 2007 but falling in the 2006–2007 plan year would use the 2006 limit.

Aligning by Plan Year Against Calendar Year

If you align by Plan Year, the system uses the limit for the first day of the plan year containing the first day of the consolidation period. For example:

Period	Limit if Aligned by Calendar Year	Limit if Aligned by Plan Year*
Year beginning January 1, 2002	2002: Year containing the first day of the period.	2001: The first day of the period is in the 2001–2002 plan year.
Year beginning July 1, 2002	2002: Year containing the first day of the period.	2002: The first day of the period is in the 2002–2003 plan year.
Month beginning January 1, 2002	2002: Year containing the first day of the period.	2001: The first day of the period is in the 2001–2002 plan year.
Month beginning July 1, 2002	2002: Year containing the first day of the period.	2002: The first day of the period is in the 2002–2003 plan year.

* Assume the plan year is from July 1 to June 30.

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Limiting by Period or Year

For annual earnings consolidation periods, you get the same results by applying limits on a period by period basis that you do by applying limits on a year-to-date basis. However, for monthly consolidation periods, you can get different results.

If you apply the limits on a period by period basis, the applicable limit is divided by the number of periods in a year (12) and then applied to each period. If some periods are above the limit and others are below, only the ones above the limit are reduced. You may end up reducing earnings even if the 12-month total is less than the annual limit.

If you apply the limits on a year-to-date basis, monthly periods are grouped according to how you align your limits: into calendar years or plan years. Within each group, including the shorter first and last groups, no periods are limited until the year-to-date earnings reach the applicable limit.

The following table applies a 150,000 USD limit to Annie's earnings using each of these methods. The period by period monthly limit is one twelfth of 150,000 USD, or 12,500 USD.

Annie's Monthly Earnings	Period by Period	Year-to-Date
20,000	12,500	20,000
12,500	12,500	12,500
25,000	12,500	25,000
22,500	12,500	22,500
22,000	12,500	22,000
20,000	12,500	20,000
20,000	12,500	20,000
40,000	12,500	8,000
8,000	8,000	0
20,000	12,500	0
20,000	12,500	0
20,000	12,500	0
250,000	145,500	150,000

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Using a 12 Consecutive Month Basis with Annual Consolidations

Marshall earns 200,000 USD per year. He took a six-month leave during 2003 and terminated on March 31, 2004. His earnings were consolidated into calendar year periods.

Annual Consolidated Earnings

Year	Earnings	Partial Period Fraction
2004	100,000	.25
2003	50,000	.5
2002	200,000	1.0
2001	200,000	1.0

The 12 consecutive month basis method starts with the event date and continues back in time, creating one-year periods. To create the first allocation period, the system gathers his final 12 months of earnings. He had earnings for 25 percent of 2004 and for 50 percent of 2003, so, the system adds 25 percent of the 2002 earnings to produce one year's worth of earnings. This continues back to his earliest earnings period.

Dividing Consolidation Periods into Allocation Periods

Year	Earnings	Fraction of Year	Allocation Period	Amount
2004	100,000	.25	First	100,000
2003	50,000	.5	First	50,000
2002	200,000	.25 to period 1 .75 to period 2	First Second	50,000 150,000
2001	200,000	.25 to period 2 .75 to period 3	Second Third	50,000 150,000

The first allocation period includes earnings from 2004, 2003, and 2002. Because the limit is based on the first day of the last earnings period, the limit is the one as of January 1, 2004. This is true even though you used earlier earnings, as well.

Depending on how limits are aligned, the applicable limit could be the 2004 limit or, if January 1, 2004, falls into a 2003–2004 plan year, the 2003 limit. You simply assume limits of 150,000 USD throughout the example.

There are two possible methods for applying the limits: reduce proportionately or limit each period.

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If you reduce proportionately, total earnings for the allocation period are compared to the appropriate limits to find a reduction ratio and each segment is reduced accordingly. In Marshall's case, his total earnings for both the first and second allocation periods are 200,000 USD, and the applicable limit for both periods was 150,000 USD, so each segment's earnings are reduced by a factor of 75 percent. After the earnings are reduced, segments are recombined into the original calendar year consolidation periods.

Applying Limits by Reducing Proportionately

Year	Allocation Period	Amount	Limit Factor	Limited Segment	Limited Year
2004	1	100,000	.75	75,000	75,000
2003	1	50,000	.75	37,500	37,500
2002	1 2	50,000 150,000	.75 .75	37,500 112,500	150,000
2001	2 3	50,000 150,000	.75 *	37,500 *	*

* The reduction factor depends on total earnings for third segment, which includes earnings from the previous year.

If you limit each period, the system determines what percentage of the allocation period comes from each segment and reduces the limit for that segment with the same factor. Marshall's 2004 consolidation only includes a quarter of a year, so his 2004 earnings are limited to a quarter of 150,000 USD, or 37,500 USD. His 2003 segment is reduced to half of the limit, and so on.

Applying Limits by Limiting Each Period

Year	Allocation Period	Amount	Limit Factor	Limit	Limited Segment	Limited Year
2004	1	100,000	.25	37,500	37,500	37,500
2003	1	50,000	.5	75,000	50,000	50,000
2002	1 2	50,000 150,000	.25 .75	37,500 112,500	37,500 112,500	150,000
2001	2 3	50,000 150,000	.25 .75	37,500 112,500	37,500 112,500	150,000

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After you're past the partial periods, it might look like the 12 consecutive month method is the same as applying the limit to the total earnings for the consolidation period. However, do not forget that the example unrealistically assumed a constant limit of 150,000 USD. When segments from one consolidation period fall into two allocation periods with different limits, the limited earnings for the period are somewhere between the two limit amounts. The exact limited amount depends on what portion of the period uses each amount.

Using a 12 Consecutive Month Basis with Monthly Consolidations

The 12 Consecutive Month Basis option works the same for monthly periods as it does for annual periods, but there are more consolidation periods per limit period.

The following table shows how the Reduce Proportionately and Limit Each Period options might be applied to a monthly consolidation. In this example, Nina worked through the last day of the month and then retired, so there are exactly twelve whole consolidation periods in a single limit period. You use your usual 150,000 USD limit.

The factor for the Reduce Proportionately option is the limit divided by the total earnings, or 150,000 / 250,000, which equals .6. The monthly limit under the Limit Each Period options is one twelfth of 150,000 USD, or 12,500 USD.

Monthly Earnings	Reduce Proportionately	Limit Each Period
20,000	12,000	12,500
12,500	7,500	12,500
25,000	15,000	12,500
22,500	13,500	12,500
22,000	13,200	12,500
20,000	12,000	12,500
20,000	12,000	12,500
40,000	24,000	12,500
8,000	4,800	8,000
20,000	12,000	12,500
20,000	12,000	12,500

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Monthly Earnings	Reduce Proportionately	Limit Each Period
20,000	12,000	12,500
250,000	150,000	145,500

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CHAPTER 39

Projecting Hours and Earnings

This chapter provides an overview of projection methods and discusses how to set up projection methods.

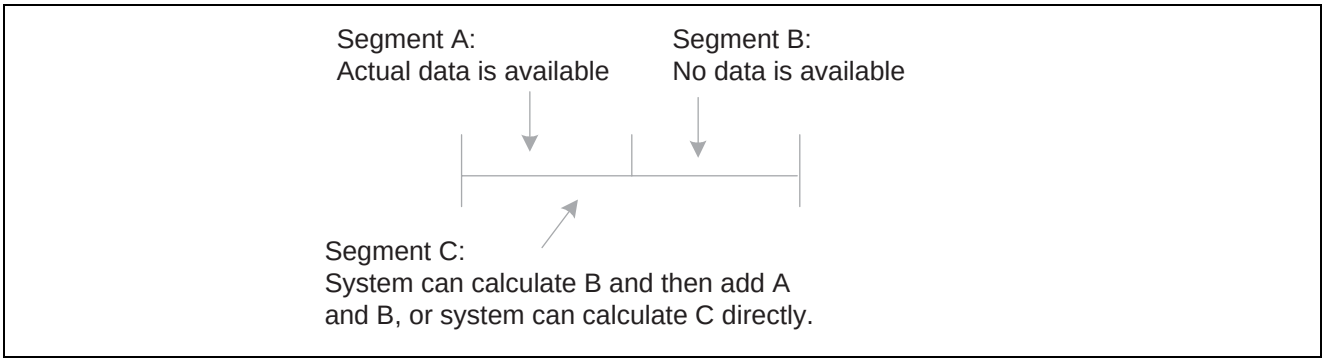
Understanding Projection Methods

Consolidation functions produce periodic totals of payroll earnings and hours. Consolidations only use actual earnings and hours, as recorded in PeopleSoft Enterprise Payroll for North America tables. When you run pension estimates based on future event dates, however, you have to project earnings and hours data up to the future date.

Multiple steps are required to project earnings and hours:

1. The system looks for the most recent consolidation period with data. This is the base period for the projection.
2. If the base period is incomplete (for example, if the consolidation period is annual, but you have only processed consolidations through September), the system calculates what the earnings or hours for the entire base period should be. You decide whether the system should project data for the remainder of the period and add this to the actual data, or whether the system should ignore the actual data and simply calculate data for the entire period.
3. After the system establishes the base period amount, it fills in data for all periods up to the final period.
4. When projecting hours, the system simply uses the same number of hours for all periods. For earnings, the system applies an annual increase only if the pension administrator enters an assumed increase at calculation time. The system prorates the final period data if the final period (the period containing the event date) is not a full period.

   There are several methods for determining the hours or earnings. You choose the method for calculating the hours and earnings. The following diagram shows two options:



Determining total hours or earnings for the base period

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Setting Up Projection Methods

To set up projection methods, use the Projections (PROJECTIONS) component.

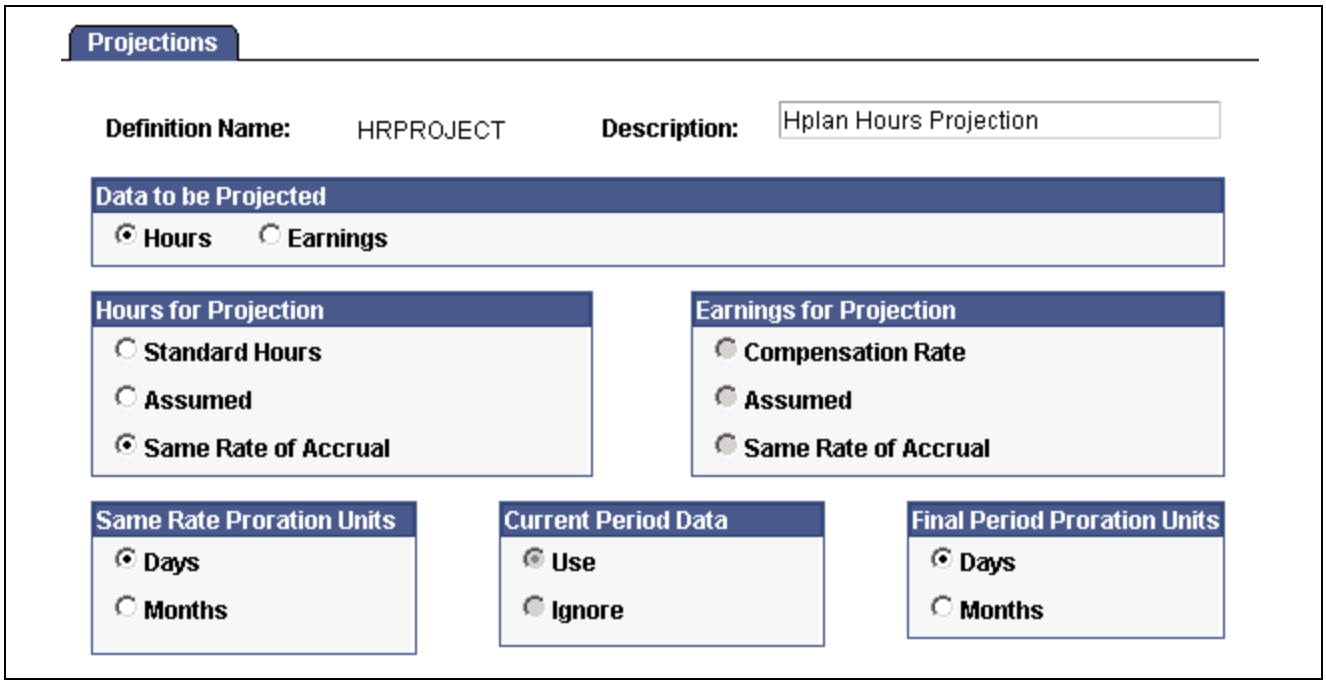
This section lists the page used to set up projection methods and discusses how to define projection methods.

Page Used to Set Up Projection Methods

Page Name	Object Name	Navigation	Usage
Projections	PA_PROJECTIONS	Set Up HRMS, Product Related, Pension, Calculation Rules, Projections, Projections	Set up projection methods.

Defining Projection Methods

Access the Projections page.



Projections page

Data to Be Projected

Hours or **Earnings** Choose whether the projection method will project hours or earnings.

If you choose Hours, also complete the information in the Hours for Projection group box.

If you choose Earnings, also complete the information in the Earnings for Projection group box.

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Hours for Projection

Standard Hours Annualizes the standard weekly hours for the employee's job as established in PeopleSoft Enterprise Human Resources.

Assumed Uses an annual hours amount that the pension administrator enter on the calculation page.

Same Rate of Accrual Annualizes the actual period-to-date hours.

Earnings for Projection

Compensation Rate Uses estimated earnings for the period based on the annual salary as of the first day of the base earnings period.

Assumed Uses an amount that the user will have to enter into the calculation page.

If you set up a projection method using assumed hours or earnings, you should make the corresponding setup assumptions fields required. These fields are located on the Define Calculation - Main Page, in the Assumptions group box. If you use any other projection method, you should remove the setup assumptions fields from that page to avoid misleading users.

See Chapter 46, "Calculating Pension Benefits," Pages Used to Set Up Benefit Calculations, page 407.

Same Rate of Accrual Annualizes the actual period-to-date earnings, as described under "Same Rate Proration Units."

Same Rate Proration Units

If you select Same Rate of Accrual for either hours or earnings, the system annualizes the actual earnings and hours based on the consolidation "process through" date. When you select this method, under Same Rate Proration Units, select the rate to use when annualizing.

Days If the system prorates using days, it divides the actual earnings or hours by the number of calendar days in the partial period, then multiplies the result by the number of days in the year.

This option always gives you a more precise annualization.

Note. If the projection method will be applied to a monthly consolidation, you must annualize using days.

Months If the system prorates using months, it divides the actual earnings or hours by the number of complete months in the partial period, then multiplies the result by the twelve. If the system annualizes using days, it divides the total hours by the number of days in the period and multiplies by the number of days in the year.

Using months tends to overstate earnings because it drops any partial month, and the result is as though the employee has the same amount of earnings or hours in slightly less time.

For example, if you consolidate based on a calendar year, using months to annualize period-to-date earnings of 15,000 USD as of April 15, 2001 yields:

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```
(15,000 / 3) × 12 = 60,000
```

Annualizing the same amount by counting days yields:

```
(15,000 / 105) × 365 = 52,143.90
```

Current Period Data

When determining the hours or earnings for the base period, use the Current Period Data group box to indicate whether to calculate data for the entire period or just for the remaining portion of the period, which is the portion for which there is no actual data.

Note. When you use the same rate of accrual method, the system always uses the annualized amount for the entire period. There is no sense in annualizing, then prorating. Therefore, this option will be made unavailable.

Use The system calculates data for the remainder of the period and adds that to the actual period-to-date data. It looks at the partial period fraction in the base consolidation period to determine what portion of the period the existing data covers.

If, for example, the partial period fraction for an annual period is .25, the actual data represents 25 percent of the period, or three months. The system then adds this actual data to 75 percent of the annual hours as determined by the compensation rate and standard hours or by the assumed amount of earnings or hours entered on the calculation page.

Using this example, if the base consolidation period shows actual earnings of 10,000 USD and a partial period fraction of .25, the system multiplies the annual compensation rate by .75 (the unworked portion of the period) and adds that prorated amount to the original 10,000 USD.

Ignore The system uses your chosen method to calculate data for the entire period.

Final Period Proration Units

The final period is usually an incomplete period. The system prorates the hours or earnings based on the length of the period.

Days As with the proration units for the Same Rate of Accrual option, the days option gives a more precise proration.

Months For monthly consolidation periods, do not prorate using the months option.

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CHAPTER 40

Grouping Employees

This chapter provides an overview of grouping and discusses how to:

- Use time-sensitive grouping based on eligibility.
- Use groups for periodic processing.
- Define a group.
- Set up group precedence.

Understanding Grouping

A pension plan can include unique provisions for different subsets of your employee population. There might be different rules for:

- Salaried and hourly employees.
- Employees in different unions.
- Employees who were covered under an acquired company's plan.

A critical step in implementing your plan rules is applying the rules to the appropriate groups. Use custom statements to specify criteria to define each group. The group definitions can be shared among plans and function results.

You can set up group precedence to establish a method for handling situations when an employee falls into more than one group. The precedence is specific to each function result, so you can set up different precedence orders for different areas of your plan.

Periodic processing can use group definitions to determine which employees to process in a particular job.

Groups are extremely important to implementing your plan rules. Group membership controls which rules are used at every step of the calculation. Consider the following examples, which illustrate the power of this feature.

Time-Based Grouping

When you grandfather rules, you set up time-based groups to identify employees who qualify for the grandfathered benefit. For example, in 1970 you changed your plan rules from five-year cliff vesting to seven-year step vesting:

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Group Criteria	Vesting Definition
Hire date is before 1970	Better of five-year cliff vesting and seven-year step vesting
Hire date is 1970 and after	Seven-year step vesting

Grouping with Benefit Eligibility

You only want to calculate the reduced benefit amount for employees who are eligible for early retirement:

Group Criteria	Benefit Formula Definition
Early retirement eligibility is yes	Unreduced benefit times early retirement factor

Note. There's no group for employees who are not eligible. Those employees will bypass this function result. Therefore, you need to be very careful that no other function result down the line looks for the missing results.

Grouping with Service

Your cash balance account credits vary with service:

Group Criteria	Cash Balance Definition
Service is less than 10 years	Credit 5 percent of salary
Service is greater than 10 years	Credit 6 percent of salary

Grouping with Vesting

Vested employees use different break-in-service rules from unvested employees:

Group Criteria	Service & Break Definition
Vesting equals 0 percent	Use rule of parity to determine if prior service is restored.
Vesting greater than 0 percent	Always restore previous service.

Grouping Based on Job

You negotiate different unreduced early retirement criteria with different unions:

Group Criteria	Benefit Eligibility Definition
Union Code = 81	Age 60 or 30 years of service
Union Code = 82	Age 60

Grouping Based on Employee Type

Full-time employees use elapsed time service. Part-time employees use hours counting service:

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Group Criteria	Service Definition
Employee Status is *F*	Elapsed time service
Employee Status is *P*	Hours counting service

Grouping Based on Calculation Reason

Death benefits have a different (reduced) set of optional forms from regular retirement benefits:

Group Criteria	Optional Forms Definition
Calc Reason Code is termination or disability	Full set of optional forms
Calc Reason Code is death	No joint and survivor forms allowed

Calculate social security benefits differently for old age retirement and disability retirement:

Group Criteria	Social Security Definition
Calc Reason Code is disability	Calculate social security disability benefits.
Calc Reason Code is not disability	Calculate social security old age benefits.

Grouping Based on Payee

Qualified Domestic Relations Order (QDRO) calculations are based on an amount entered into the system by the administrator. The calculation then runs the early and late retirement factors and optional forms of payment functions to apply any early retirement reduction and produce optional form choices. These two functions, therefore, may need QDRO-specific definitions:

Group Criteria	Optional Forms of Payment Definition
Regular employees	Full set of optional forms
QDRO alternate payees	No forms with survivor benefits

Group Criteria	Early and Late Retirement Factors Definition
Regular employees	6 percent reduction for each early year between employee's age 65 and 60 **Note.** Employee ID is used to kick off the calculation.
QDRO alternate payees	6 percent reduction for each early between the original employee's age 65 and 60 **Note.** QDRO ID is used to kick off the calculation. The original employee is the former spouse.

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Using Time-Sensitive Grouping Based on Eligibility

This section provides overview of eligibility and eligibility-based groups and discusses setting up eligibility-based groups.

Understanding Eligibility

The plan eligibility function produces a timeline of eligible and ineligible periods. Service typically accrues only during periods of eligibility. Cash balance accounts and employee contributory accounts typically accumulate both credits and interest during periods of eligibility, but only accumulate interest during periods of ineligibility.

Understanding Eligibility-Based Groups

Following are some examples that use eligibility history as grouping criteria.

Service

Service only accrues while an employee meets plan eligibility criteria:

Group Criteria	Service Definition
Eligible	Plan service rules
Ineligible	No service accrues

Elapsed time and hours equivalence service accrue based on an employee's action and reason history. If you fail to establish eligible and ineligible definitions, employees continue to accrue service for time worked while ineligible. For example, an hourly employee who used to be salaried could continue to accrue service under the salaried plan. This may be desirable for vesting service, but is likely undesirable in other situations.

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

Cash Balance Accounts

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

Group Criteria	Cash Balance Definition
Eligible	Cash balance credit of 4 percent of salary and interest
Ineligible	Interest only

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

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

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Consolidated Earnings

The final average earnings (FAE) function only uses earnings from periods when an employee met the plan's eligibility requirements. Because FAE uses the consolidated earnings result, you restrict earnings at the consolidation level:

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

Note. In this scenario, you would set the FAE definition to ignore zeros. Otherwise, you might lower the average by picking up zeros from periods of ineligibility.

Setting Up Eligibility-Based Groups

When employees change jobs within a company, they often move into and out of pension plan eligibility. When you run a calculation for such an employee, service accrual may stop during the period of ineligibility and resume if the employee becomes eligible again. For a cash balance plan, account credits probably stop, but interest continues during the period of ineligibility. You may also want to exclude earnings from the consolidated earnings history to prevent the final average earnings function from using the ineligible earnings.

All of these scenarios demand that you set up different definitions for eligible and ineligible periods. As employees move in and out of eligibility, the system will automatically use the appropriate definition for the eligible and ineligible periods. To apply these eligible and ineligible definitions, you need eligible and ineligible groups.

Note. PeopleSoft delivers two group custom statements: PA_ELIG and PA_INELIG. When you select *Eligible* or *Ineligible,* the system uses these statements to append the eligible or ineligible criteria to your group. Do not modify these statements.

See Also

Chapter 41, "Setting Up Function Results," page 353

Using Groups for Periodic Processing

Periodic processes are processes that you run on a regular basis to maintain your pension data. Consolidations run only as periodic processes, and other functions which store history also run in periodic mode.

You can run periodic processes for:

- All employees at once.
- Individual employees.
- Employees identified by employee ID on a predefined list.
- Employees who meet criteria defined by a group custom statement.

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When you use a group custom statement, the system evaluates every employee in the system against the criteria to determine whom to process. This is a very slow process, and PeopleSoft does not recommend that you use it on a regular basis. Instead, use predefined employee lists, which process those employees on the list without needing to evaluate any other employees.

Note. List processing is much more efficient than group processing. A group that you define to include all employees belonging to Plan A takes exponentially longer to process than a list that includes the same employees. It is well worth your while to use SQRs to create and maintain lists for periodic processing. For example, to process all employees who are paid monthly, do not create a group with this criteria. Instead, create an SQR that selects employees who are paid monthly and creates a calculation group list consisting of those employees. Run that SQR again before each periodic processing run in order to keep your list up to date.

Defining a Group

You define a group on the Custom Statement page. You access a group on the Group Definition page. The statement type is always *G* (Group Function Definition).

When you set up group custom statements, you enter the requirements in Boolean If clauses. You do not need the Then portion of the If-Then statement. When an employee meets the conditions, a yes value is assumed.

You can base groups on any criteria that the database tracks. This might include:

- Personal and job data—for example, the employee status is active.
- The event reason entered at calculation time—for example, the event reason is death.
- Results from other parts of the calculation—for example, the vesting percentage is 100.

See Also

Chapter 34, "Using Custom Statements and Spouse Eligibility Statements," page 297

Setting Up Group Precedence

To set up grouping precedence, use the Group Precedence (GROUP_PRECEDENCE) component.

This section provides an overview of group precedence, list the page used to set up group precedence, and discusses how to define group precedence.

Understanding Group Precedence

When you set up a function result, you associate groups with the definitions that they use. Implicit in this organization is the requirement that each employee only belong to a single group. If an employee meets the criteria for multiple groups, you need a way to determine which group affiliation takes precedence.

The Function Result page includes a precedence order field; however, you can only see one row of data at a time, so setting up the precedence order can involve a lot of scrolling.

A more convenient way to set your precedence order is to use the Group Precedence page. This page displays all the groups used in a function result in a convenient summary format that enables you to easily review all the groups and their precedences. This page is always keyed to a specific effective-dated row within a function result.

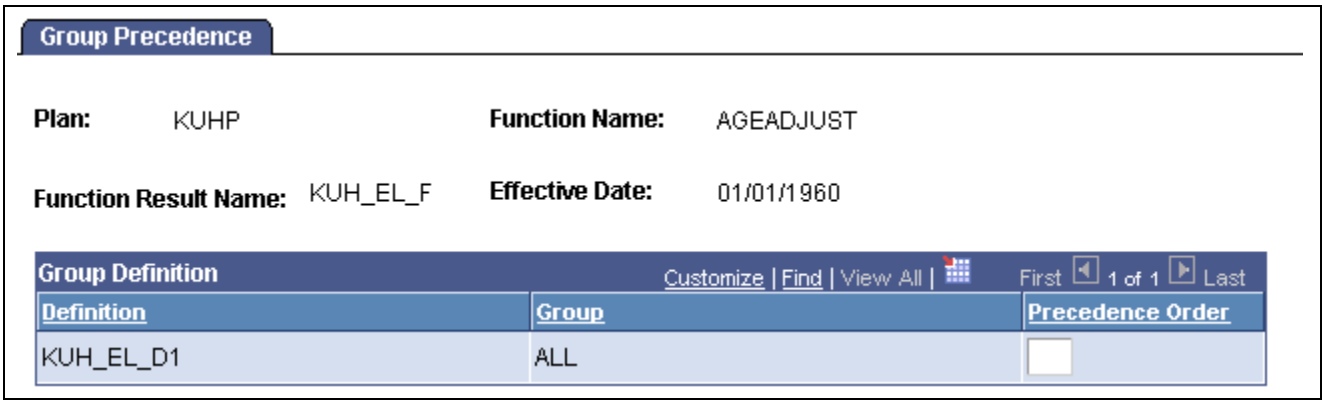
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Page Used to Set Up Group Precedence

Page Name	Object Name	Navigation	Usage
Group Precedence	PA_GROUP_PRECEDNCE	Set Up HRMS, Product Related, Pension, Pension Plan Implementation, Group Precedence, Group Precedence	Set precedence order for groups.

Defining Group Precedence

Access the Group Precedence page.



Group Precedence page

Group The page displays the group information from the Function Result page.

Precedence Order This establishes which group to use for an employee who meets the conditions for multiple groups.

A group with a lower number has precedence over a group with a higher number. For example, employees who simultaneously fall into groups with precedence orders 1 and 2 use the definitions for the group with precedence 1.

See Also

Chapter 41, "Setting Up Function Results," page 353

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CHAPTER 41

Setting Up Function Results

This chapter provides an overview of function results and discusses how to add a function result.

Understanding Function Results

Pension Administration uses 19 core functions, including three consolidation processes, to determine benefits. Using the core function pages, you set up methods (also called definitions) for calculating particular portions of a benefit.

Function results are the final calculation element that you build in order to apply your definitions to specific employees at specific times. In a function result, there are three types of information attached to a definition: effective dates, groups, and time segments.

Effective Dates

Effective dates enable you to track changes to your rules over time. For example, suppose your plan rules for vesting were originally effective January 1, 1990, and then the rules changed as of July 1, 2007. You then would have two effective dates for your vesting rules: the first set with the original vesting definition effective-dated January 1, 1990, and the second set with the new vesting definition effective July 1, 2007.

Groups

Groups enable you to apply different definitions to different people. The following are examples of grouping criteria:

- Hire date: Employees hired before a particular date receive a grandfathered benefit not available to employees hired after that date.
- Job data: Union negotiations result in different benefits for employees in different unions or in different locations.
- Service: Employees with more service get more generous cash balance credits, interest rates, early retirement factors, or other benefits.
- Benefit eligibility: Normal retirement, early retirement, disability retirement, and death retirement benefits vary.
- Payee type: QDRO alternate payees require differently structured calculations.

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Time Segments

Time segments enable you to apply different definitions at different points in an employee's career. This only applies to functions that can apply different rules at different times. For example, if you use an hours counting service method until January 1, 1990 and an elapsed time method subsequently, you do not recalculate service prior to 1990 with the new method. Instead, you use the earlier method for any time worked prior to January 1, 1990 and the later method for time worked January 1, 1990 and after. You then add the two separately-calculated segments to arrive at the total service.

Eight functions use time segments:

- Consolidated earnings
- Consolidated hours
- Consolidated contributions
- Service
- Cash balance accounts
- Employee accounts
- Death coverage factors
- Participation

See Also

Chapter 4, "Understanding Calculation Rules," page 27

Adding a Function Result

To add a function result, use the Function Result (FUNCTION_RESULT) component.

This section lists the pages used to add a function result and discusses how to set up a function result.

Pages Used to Add a Function Result

Page Name	Object Name	Navigation	Usage
Function Result	PA_FUNCDEF_MAIN	Set Up HRMS, Product Related, Pension, Pension Plan Implementation, Function Result, Function Result	Associate your definitions with effective dates, groups, and (for some functions) time segments.
Employee Account Parms	PA_FUNCDEF_EACCT	Set Up HRMS, Product Related, Pension, Pension Plan Implementation, Function Result , Employee Account Parms	Enter additional function result parameters that are used only for employee accounts function results.

Setting Up a Function Result

After creating the definitions, you need to apply them to the right people at the right times. You use function results to do this.

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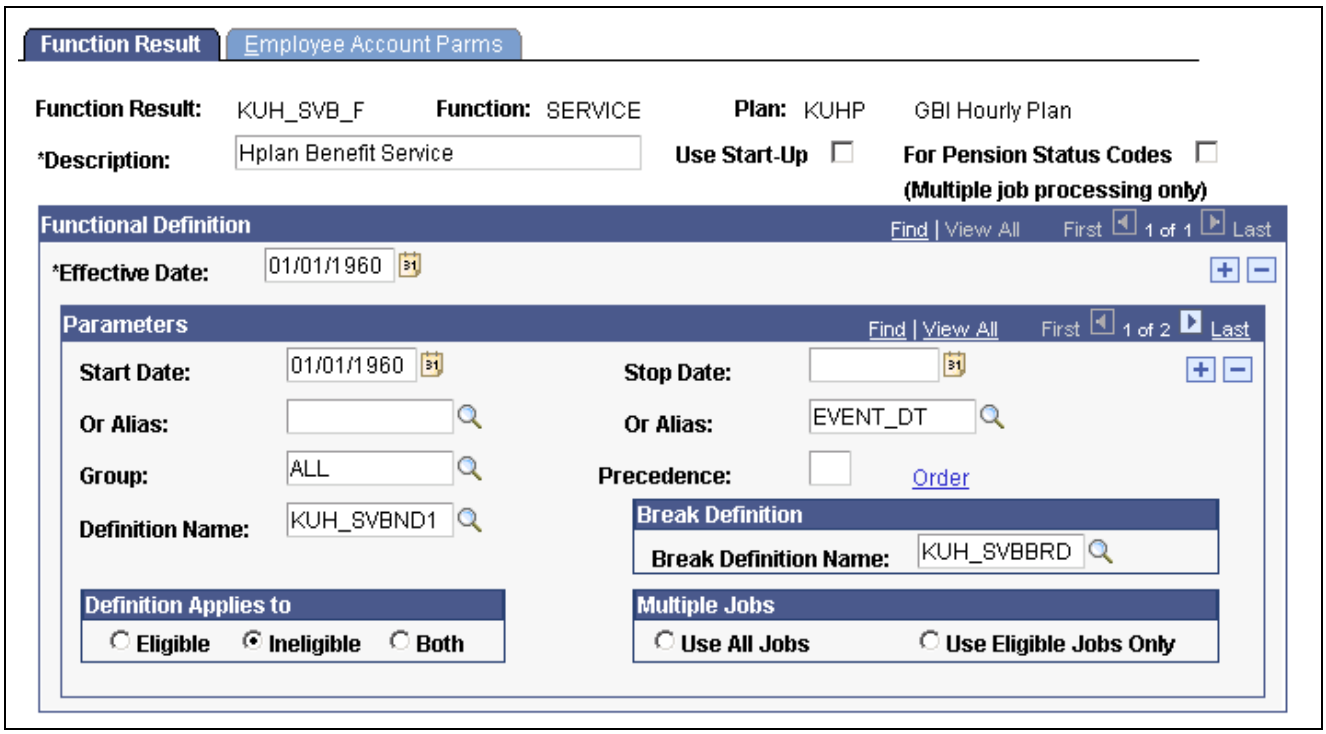
When you add a function result, identify both the plan and the functions. The following table lists Pension Administration's 19 core functions:

Function Name	System Name
Consolidated earnings	CONSOLIDTE
Consolidated hours	CONSOLIDTH
Consolidated contributions	CONSOLIDTC
Plan eligibility	PLANELIG
Participation	PLANPARTIC
Service	SERVICE
Vesting	VESTING
Retirement (benefit) eligibility	BENELIG
Final average earnings	FAE
Cash balance accounts	CASHBAL
Employee accounts (contributory balances)	EMPLACCTS
Social security	SOCSEC
Covered compensation	COVRDCOMP
Early and late retirement factors	AGEADJUST
Death coverage factors	DEATHCVRG
Benefit formula	BENCALC
Employee paid benefit	CONTSBEN

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Function Name	System Name
Optional forms of payment	OPTFORMS
415 limits	LIMIT415

Access the Function Result page.



Function Result page

Description The description is particularly important for benefit formula function results. This description appears on the calculation worksheet and is the best indication of what a benefit is.

Use Start-Up When you initially set up Pension Administration, you can load starting balances for three functions: service, cash balance accounts, and employee accounts. The startup consists of a starting balance and an as of date. For example, Wanda Jackson has 5.2 years of service as of January 1, 1997, so the system only calculates service accrued after that date and adds 5.2 to the calculated amount.

The calculation only checks for startup information if you select the Use Start-Up check box. If you do not select this check box, the system ignores any startup information. Select this check box if you loaded startup values.

For Pension Status Codes (Multiple job processing only) This option only appears for service function results.

If you select this option, the system reads additional information from the service function result, which is used in the custom statements.

See Chapter 44, "Using Pension Statuses," page 377.

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Functional Definition

Effective Date

Effective dates always correspond to the date of a change in plan rules.

When you run a calculation, you specify a rules as of date on the calculation page. The system determines the appropriate rules using this date. This enables you to run historical and future dated calculations and automatically use the rules effective on the indicated as of date.

Effective dating does not automatically grandfather plan rules. Any grandfathered provisions must be included within an effective-dated row.

Parameters

Time segments represent the portions of an employee's working history to which the specified rules apply.

Most functions use a single time segment for all definitions. This time segment covers an employee's entire career. For example, even if your final average earnings rules change, you do not use one rule to average earnings for the first five years the employee worked and another rule to average earnings for the next ten years. Instead, you determine which rule to use (based on the rules effective on the employee's event date and the group the employee is in) and apply that one rule over the employee's entire career.

Certain functions can apply different rules over different parts of an employee's career:

- Consolidated earnings
- Consolidated hours
- Consolidated contributions
- Service
- Cash balance accounts
- Employee accounts
- Death coverage factors
- Participation

For example, a plan might changed its service rule as of January 1, 2001. In this case, you would use the earlier rule for any time worked before 2001 and the later rule for time worked from January 1, 2001 on. To find the final service amount, you would add the two amounts.

The benefit calculation does not use time segments. Each benefit calculation function result only uses one definition for each group of employees. If you want to add the benefit earned during one time period to the benefit earned during another time period, you have to set up an additional benefit formula definition and function result to handle this.

Like effective dates, time segments correspond to the dates of changes in plan rules. The difference, however, is that a new time segment does not replace an old one. Instead, it applies the rule to a specific portion of an employee's working history.

Start Date and **Stop Date**

You can enter a date or an alias in either field. Aliases must reference calculation inputs—typically the event date. Do not reference employee personal data (such as the hire date) because the system determines the start and stop dates prior to the selection of any employee data. To ensure that a time segment covers all periods in an employee's career, use the date that your plan went into effect as the start date.

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Note. Always use EVENT_DT (the calculation event date) as the stopping point for current rules.

Certain functions have built-in stop dates:

- Service always stops at the event date.
- Cash balance accounts produces results as of the event date, the normal retirement date, the benefit commencement date, and the lump sum date.
- Employee paid benefit automatically projects the employee account to the later of the refund of contributions date or the normal retirement date.

Group

Specify the group name.

Note. The plan eligibility function is unique in that it does not include groups in its function results. In this case, the group logic is incorporated into the definition, so the Group field is made unavailable.

Precedence

Implicit in the idea of the group-definition association is the requirement that for each effective-dated row, each employee belongs to a single group only. If an employee meets the criteria for multiple groups, you need a way to determine which group affiliation takes precedence.

Indicate the group precedence order by entering a number in the Precedence field of every rule set. Groups with precedence 1 take precedence over groups with precedence 2, and so on.

Note. The system evaluates employees against the group criteria in the order of the group precedence. Group processing stops after the first match. Therefore, processing time is reduced if you assign precedence 1 to the group that includes most employees, precedence 2 to the next largest group, and so on.

Order

To set the precedence order, click the Order button, which transfers you to the Group Precedence page.

Note. Manually save the Function Result page before transferring so that any new data appears on the Group Precedence page.

Warning! Be sure that every employee is in at least one group. One approach is to create an "all employees" group that has the lowest precedence among your groups. This group catches any employees who do not belong to other groups.

Ensure that all the employees that you process are in the appropriate groups.

Definition Name

Each inner row on the Function Result page contains a single set of rules, which is represented by a single definition. The definition is the calculation method you created on the pages that correspond to a particular function.

Specify which definition to use in the Definition Name field. The rest of the parameters in the Parameters group box provide instructions for applying the definitions—that is, they specify the group and the time segment.

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Note. There can be only one type of service definition within one effective-dated row of a service result for definitions that have the same start date and stop date.

See Chapter 40, "Grouping Employees," page 345.

See Chapter 14, "Defining Service and Break Rules," page 99.

Definition Applies to

This group box appears only when you select a service function result.

Often rules depend on whether an employee meets a plan's eligibility requirements at a specific point in time. For example, service typically accrues only during periods of eligibility. The cash balance accounts and employee accounts functions typically accumulate both credits and interest during periods of eligibility, but only accumulate interest during periods of ineligibility.

The plan eligibility function produces a timeline of eligible and ineligible periods, so information about employee eligibility is available through the delivered alias PLAN_ELIG. However, eligibility-based grouping is so fundamental to the way that a pension plan works that Pension Administration provides a shortcut for setting up these groups. Instead of including eligibility criteria in the group definition, you can set up eligibility grouping in the Definition Applies to group box.

Eligible This option adds an "and employee is eligible" clause to your group statement.

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

Both If you select this option, the group statement remains untouched. It does not have any eligibility criteria unless you explicitly add it.

If you set up a row for eligible time periods, be sure to set up a corresponding row for ineligible time periods. This ensures that calculations have definitions to use at all points in an employee's career.

Note. If you create pairs of eligible and ineligible definitions, make sure that the ineligible definition mirrors the eligible definition except for the difference required for the ineligible period. This is important because some adjustments are based on the final definition. For example, the final service adjustments are all done based on the definition in effect on the event date, so you want to be sure that the adjustments are made regardless of whether the employee is eligible or ineligible at that particular time.

Warning! If the calculation does not have definitions to cover an employee's entire career, it will fail.

Break Definition

The Break Definition group box appears only when you select a service function result.

Break Definition Name When you create a function result for the service function, you include a break definition name along with each service definition. Break definitions determine how to treat periods of time when an employee is not accruing service and when to take away previous service credit due to breaks in service.

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If your break rules change, you create a new effective-dated row in the function result, just as you would if the service rules change.

Multiple Jobs

The Multiple Jobs group box appears only when you select a service function result.

Use All Jobs or **Use Eligible Jobs Only** — Select Use All Jobs if you want to include all jobs, eligible and ineligible. Select Use Eligible Jobs Only if you want to include only eligible jobs.

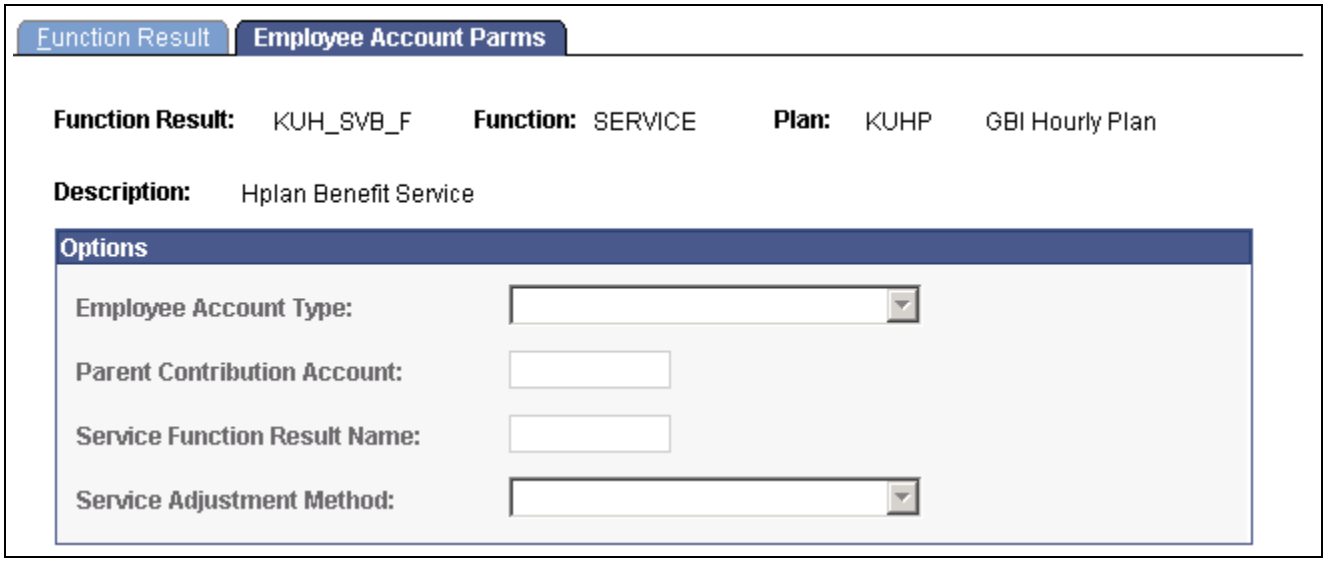
Note. In the multiple jobs environment, some jobs may not be covered by a pension plan.

See Also

Chapter 14, "Defining Service and Break Rules," page 99

Entering Function Result Parameters for Employee Accounts

Access the Employee Account Parms page.



Employee Account Parms page

Employee Account Type — Pension Administration supports three types of employee accounts: contribution, withdrawal, and service purchase. You create separate function results for each account type that you use. You specify the employee account type here and also in each of the definitions used in the employee account.

Note. The function result and all the definitions that it references must have the same employee account type.

For a contribution account, do not enter any more information on this page. For withdrawal and service purchase accounts, complete the remaining fields, as specified in the following fields.

Parent Contribution Account — Transactions in withdrawal accounts and service purchase accounts roll up to a "parent" account, the plan's actual contributory account. Enter the contribution account for the parent account.

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Service Function Result Name Activity in withdrawal and service purchase accounts can affect an employee's service credit. Specify the service function result name for the related service account.

Service Adjustment Method When you establish a withdrawal account or a service purchase account for an employee, you establish the total amount of service available to be bought.

Specify the method by which employees receive credit for the service: *Upon Any Payment/Redeposit, Upon Full Payment/Redeposit,* or *On a Prorated Basis.*

See Also

Chapter 8, "Setting Up Contributory Plans," Implementing Service Buyback, page 51

Chapter 20, "Defining Employee Accounts," page 163

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CHAPTER 42

Creating the Plan Implementation and Plan Aliases

This chapter provides an overview of plan implementation and plan aliases and discusses how to:

- Complete a plan implementation.
- Order plans.
- Add miscellaneous plan specification information.

Understanding Plan Implementation and Plan Aliases

The final product of a calculation—a benefit amount in all its optional forms—depends on several components, such as service, final average earnings, vesting, and early and late retirement factors. The rules that you define for individual functions provide values for these components. These rules are interdependent. For example vesting may depend on service, and the benefit formula may depend on both vesting and service.

To ensure that results are available when needed, a calculation must process the benefit components in the proper order. For example, if vesting is dependent on service, then you need to know how much vesting service an employee has before starting the vesting calculation.

The final step of a plan implementation is to put all the function results that you create in a sequence to form the final calculation jobstream. The jobstream provides a high-level overview of a plan; it consists of the separate processes in the correct order.

You then place the plan in the system's overall list of plans. Until you add the plan to this list, many fields on other pages that prompt against pension plans do not recognize the plan as a valid value. Because the pension plan list also establishes the plan order when a calculation encompasses multiple plans, the page where you maintain the list is the Order Plan page.

Finally, you need to define aliases to calculate a plan's normal retirement date (NRD), early retirement date (ERD), and other specific plan information. Many of the functions have parameters that refer to this information, so you cannot run calculations until you create these definitions.

Creating a Plan Implementation

To create a plan implementation, use the Plan Implementation (PLAN_IMPLEMENT) component.

This section provides an overview of plan implementation, lists the page used to create a plan implementation, and discusses how to:

- Add function results to a plan implementation.
- Order processes.

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- Activate processes.

Understanding Plan Implementation

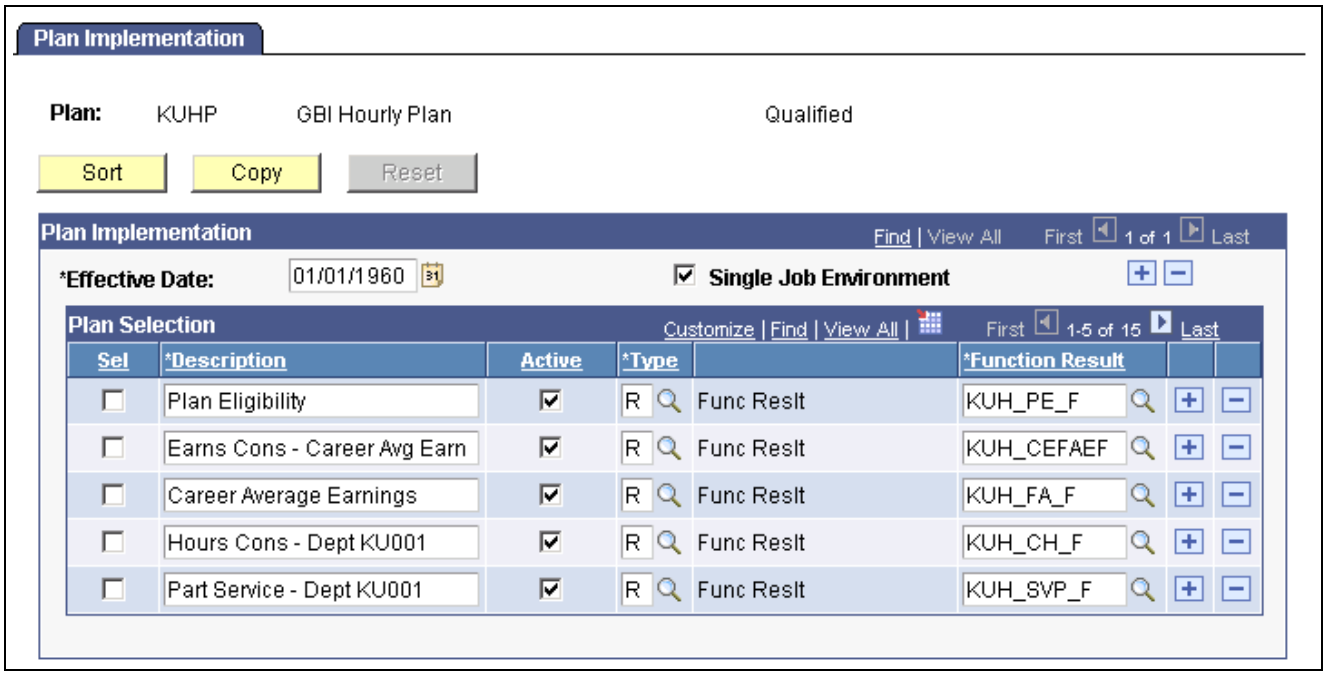
Just as you create function results to deploy the plan definitions, you create a plan implementation to deploy the function results. You use the Plan Implementation page to do this.

Page Used to Create a Plan Implementation

Page Name	Object Name	Navigation	Usage
Plan Implementation	PA_IMPLEMENT_PLAN	Set Up HRMS, Product Related, Pension, Pension Plan Implementation, Plan Implementation, Plan Implementation	Put the function results for a plan in the correct processing order.

Adding Function Results to a Plan Implementation

Access the Plan Implementation page.



Plan Implementation page

Effective Date

When you run a calculation or periodic processing, the system looks at the rules date you specify (the as of date on the Calculation page) and fetches the appropriate components from the corresponding effective date on this page. After the system loads the jobstream into the Calculation page group, the person running the calculation can view the list, choose to run only certain processes from the list, or enter override for specific function results.

If the jobstream changes, enter a new effective date with the new information. Most plans have only a single plan implementation effective date. Plan changes are usually reflected in new effective dates within function results,

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not in the plan implementation. However, if you add or remove any function results, you need to create a new effective date for the plan implementation.

Note. Always add a new plan implementation effective date when you add or remove function results from a plan implementation.

Single Job Environment Clear this check box to use the multiple jobs functionality.

Sel (select) Select this check box to copy a module or to designate a location for pasting.

Description and **Function Result** When you first enter a plan implementation effective date for a particular plan, all the function results that you have already set up automatically appear in the jobstream. Add all custom statements and user code modules manually. Function results appear in the system's default order. You need to rearrange them.

Any function results that you create after the first time you save the Plan Implementation page are not automatically added to the jobstream. You must add the processes manually.

Check the order of the function results, both those automatically entered and manually entered.

The Function Result field displays the name of the function result, the custom statement name, or user code COBOL executable.

The Description field defaults to the description associated with the function result or custom statement page, but you can modify it. It's very important to have clear descriptions, particularly for benefit formulas, because this is the text that identifies the calculation results on the calculation worksheet.

To add processes to the Plan Implementation page, and thus to the jobstream, insert a new row. Select the type of process that you're entering.

If you enter a function result or custom statement, you can prompt for valid values in the Function Result field. If you're adding user code, you have to type the name of your COBOL module.

Active Although you can remove any process by deleting a row, PeopleSoft recommends that, instead, you deactivate the process by clearing the Active check box, and move the process to the end of the jobstream. This ensures that you still have a complete list of all the function results that exist for the plan.

Type The jobstream can include three types of processes:

- *C* (custom statement) and *R* (function result) are processes you build within Pension Administration.
- *U* (user code) refers to custom code modules that you set up to handle processes beyond the scope of the system's predefined functions. Unlike the predefined user code options within the parameter pages, which handle specific defined functions and are expected to return particular types of results, user code processes inserted into the Plan Implementation page are completely user defined.

Function results *must* be in the jobstream in order to be processed. The fact that another process references a function result does not mean that the system gets the result on demand. If the first function result is not in the jobstream, any other processes that reference the result generate errors.

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Custom statements can go directly into the jobstream, but they do not have to if another process references them. If a custom statement is not in the jobstream, the first process within the jobstream that references that custom statement initiates a subprocess to resolve the custom statement.

Ordering Processes

Plan eligibility should always be the first process you run. This enables both periodic processes and calculations to filter out ineligible employees immediately. This also builds the timeline of eligible and ineligible periods so that the system can determine which group, and therefore which definition, an employee falls into at any time.

After plan eligibility, the order of the other functions depends on the dependencies within your plan. For example, if you require a completed service calculation before calculating vesting, you must run vesting service before running vesting.

Be sure the consolidation function results are also appropriately ordered. For example, put consolidated hours before any service function result that uses those hours.

Using the Default Processing Order

When you first access the Plan Implementation page, the function results that you have set up appear by default in the following order:

1. Plan eligibility
2. Consolidated earnings
3. Consolidated hours
4. Consolidated contributions
5. Participation
6. Service
7. Vesting
8. Plan eligibility (retirement types)
9. Final average earnings
10. Cash balance accounts
11. Employee accounts
12. Social security
13. Covered compensation
14. Early and late retirement factors
15. Death coverage factors
16. Benefit formula
17. Employee paid benefit
18. Optional forms of payment
19. 415 limits

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Reordering Processes

Sort — You can use the Sort button to move inactive processes to the end of the jobstream. It does not rearrange any other processes.

To rearrange other processes, select a row, copy it, paste it into the right position, then delete the original.

Sel (select) — Select the Sel check box to select the associated module.

Copy — To copy a module, click the Copy button, which then becomes a Paste button. If you decide not to paste, click the Reset button (available only after a copy action) to change Paste back to Copy.

To paste the module into the right position, insert a blank row where you want to put the module, select that row by selecting the Sel check box, then click the Paste button. If you select a row that already has data, the system does not overwrite what's there; instead, it asks if you would like to insert a blank row after that row and paste into the blank row.

Remember to go back and delete the original row after pasting.

Activating Processes

Select the Active check box for each process that you want included in either periodic processing or calculations. This means that consolidations and the calculation functions must be active. If you clear this check box for a process, both periodic processing and calculations bypass the process.

The Active check box thus enables you to remove processes from the jobstream without deleting them from your list.

Ordering Plans

To set up the plan order, use the Plan Order (ORDERPLANS) component.

This section provides an overview of the Order Plans page, lists the page used to order plans, and discusses how to set the order of plans.

Understanding the Order Plans Page

When you run a calculation for multiple plans, the system processes plans in the order that you specify.

You specify the order on the Order Plans page.

Page Used to Order Plans

Page Name	Object Name	Navigation	Usage
Order Plans	PA_PLAN_ORDER	Set Up HRMS, Product Related, Pension, Pension Plan Implementation, Plan Order, Order Plans	Set the order for processing plans.

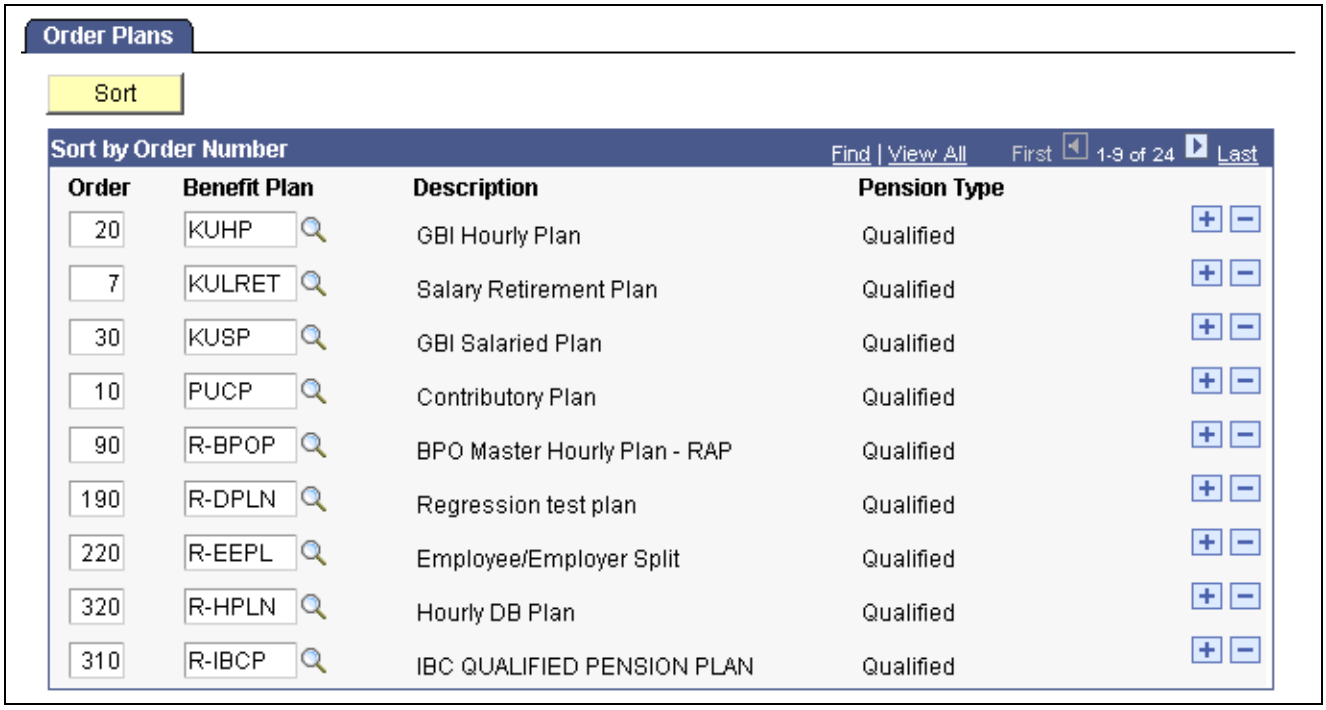
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Setting the Order of Plans

Placing a plan in the Order Plans page is the final step necessary for establishing a plan in the system.

Until you add a plan to the Order Plans page, many fields that prompt against pension plans do not recognize the plan as a valid value. This is therefore a critical step even if you only have one plan.

Access the Order Plans page.



Order Plans page

Benefit Plan Insert a row for each benefit plan.

Order Specify the order for each benefit plan.

Note. PeopleSoft suggests that you leave gaps between the order numbers so that you can later add rows between the existing rows.

Sort Updates the page to show plans in the order you assign.

When you enter a plan, the system displays its description and pension type (qualified or nonqualified).

Always run the qualified plans first and then the nonqualified plans. This is important for correct processing of 415 limits, which apply to all qualified plans.

Under certain circumstances, you set up a special 415 “dummy” plan to house the 415 rules. This plan belongs in a fixed spot in the plan order, after the last qualified plan and before the first nonqualified plan. It does not run if there are any nonqualified plans before it.

Set your plans up in the following order:

1. All qualified plans
2. The 415 dummy plan
3. All nonqualified plans

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Another reason to run nonqualified plans last is so that results from your qualified plans are available for any nonqualified limit plans that make up the difference between limited and unlimited benefits from qualified plans.

See Also

Chapter 28, “Applying Section 415 Limits,” page 235

Adding Miscellaneous Plan Specification Information

To add miscellaneous plan specification information, use the Plan Aliases (PLAN_ALIASES) component.

This section provides an overview of miscellaneous plan specification information, lists the page used to add miscellaneous plan specification information, and discusses how to add plan alias parameters.

Understanding Miscellaneous Plan Specification Information

Some of the information that you add may be needed for a calculation. Other information is used for retirement counseling and to track repayment of employee contributions.

A pension plan typically has a standard normal retirement date (NRD) and early retirement date (ERD). Several of the system’s core functions reference these dates, for example, the cash balance accounts function produces the balance at NRD, and the employee paid benefit function projects the employee account balance to NRD. You can also reference these dates on the calculation page, when you specify an assumed benefit commencement date.

Another significant date for a plan participant is the date of first vesting. Although this date is not directly referenced in a calculation, it is relevant for retirement counseling.

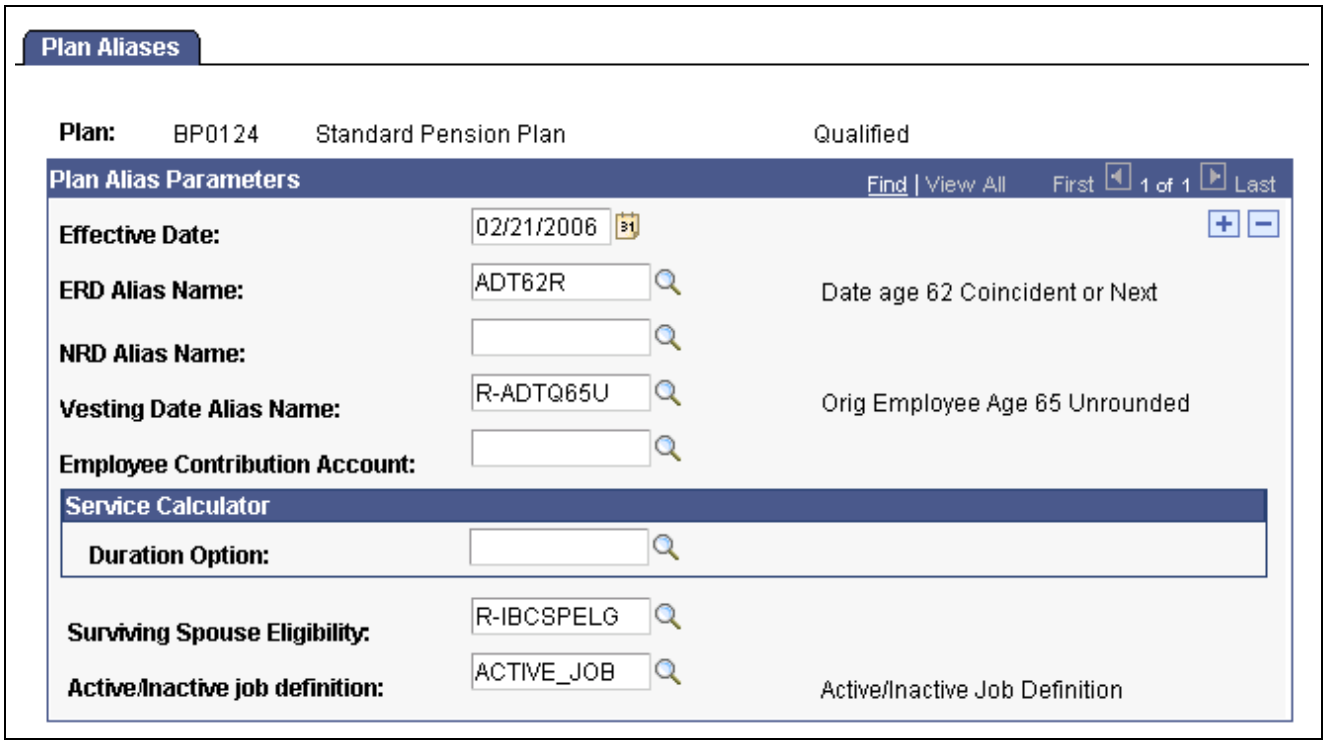
Page Used to Add Miscellaneous Plan Specification Information

Page Name	Object Name	Navigation	Usage
Plan Aliases	PA_PLAN_ALIASES	Set Up HRMS, Product Related, Pension, Pension Plan Implementation, Plan Aliases, Plan Aliases	Add miscellaneous plan specification information.

Adding Plan Alias Parameters

Access the Plan Aliases page.

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Plan Aliases page

Plan Alias Parameters

ERD Alias Name and **NRD Alias Name** — Enter date aliases to specify the plan's ERD and NRD.

Vesting Date Alias Name — Periodic processing resolves this alias during each run. You can then look up this date on the Plan Information page (under Pension, Pension Information, Review Plan History).

You cannot use the vesting function to determine the vesting date; you have to set up an independent date alias that figures out the vesting date. For example, if you use five year cliff vesting, you could set up a date alias that adds five years to the date of hire. However, this does not account for leaves of absence or other interruptions in service.

Employee Contribution Account — Enter the name of the employee contribution account that provides final balance information for the payment summary record. This is an employee accounts function result.

Service Calculator

Duration Options — Specify the duration option for the service calculator to use.

Surviving Spouse Eligibility — Enter the name of the eligibility statement.

Note. If you have set up an automatic benefit, you must specify a surviving spouse eligibility statement. If there are no eligibility conditions other than being married, set up a statement that is always true for married participants—for example: `if marital status = married.`

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See Also

Chapter 56, “Administering Contributory Plans,” Ensuring That Retirees Recover Their Contributions, page 617

Chapter 54, “Making Pension Payments,” Tracking the Payee Summary, page 590

Chapter 51, “Maintaining Employee Pension Data,” Maintaining Employee Plan Data, page 497

Chapter 25, “Defining Benefit Formulas,” Creating the Benefit Formula Definition, page 203

Chapter 34, “Using Custom Statements and Spouse Eligibility Statements,” Setting Up a Spouse Eligibility Statement, page 308

Chapter 48, “Viewing Employee Data,” page 459

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CHAPTER 43

Examining Plan Rules

This chapter provides an overview of plan rules examination and discusses how to examine plan rules.

Understanding Plan Rules Examination

Setting up a pension calculation is a complex process involving hundreds of modular objects (or modules) that are individually configured and then assembled to form a complete calculation. The key to a successful implementation is keeping track of these individual modules.

Pension Administration provides some tools to help you with this tracking:

- The Result Summary and Definition Summary pages show summary information about the function results.
- The PAT07 - Pension Plan Summary report provides detailed information about the modules included in the plan.

Examining Plan Rules

This section lists the pages used to examine plan rules and discusses how to:

- View function results and components.
- View the definition summary.

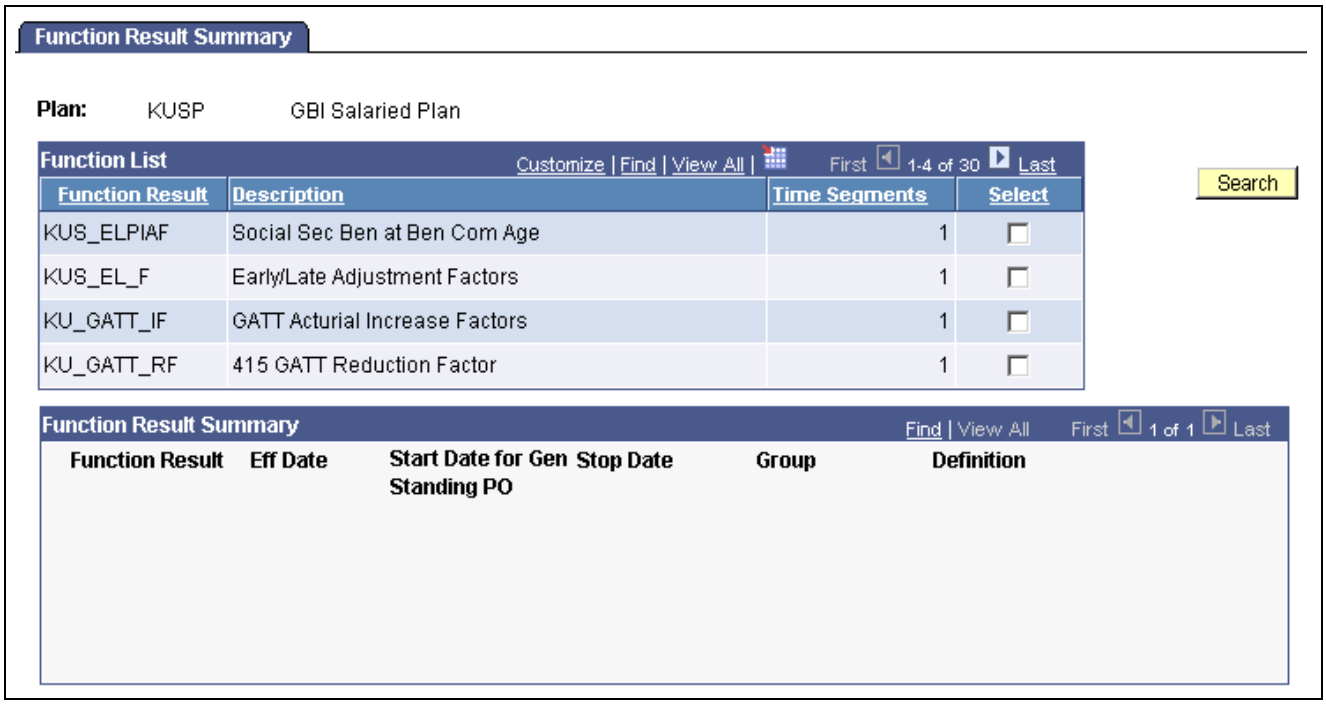
Pages Used to Examine Plan Rules

Page Name	Object Name	Navigation	Usage
Function Result Summary	PA_FNC_RSLT_SUMMRY	Set Up HRMS, Product Related, Pension, Utilities, Function Result Summary, Function Result Summary	View all the function results within a plan, and navigate to see the components of each function result.
Definition Summary	PA_DFN_SUMMARY	Set Up HRMS, Product Related, Pension, Utilities, Definition Summary, Definition Summary	View where information for all the definitions is used in the system.

Viewing Function Results and Components

Access the Function Result Summary page.

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Function Result Summary page

Time Segments This column shows how many rows there are in the inner scroll area of the associated function result. In this case, *time segments* refers to a set of rules within a function result, not specifically to the time period during which those rules are effective. That is, if there are two groups in a function result, there are two time segments, even if the time periods referenced are identical.

Search Click the Search button to see detailed information about the associated function result.

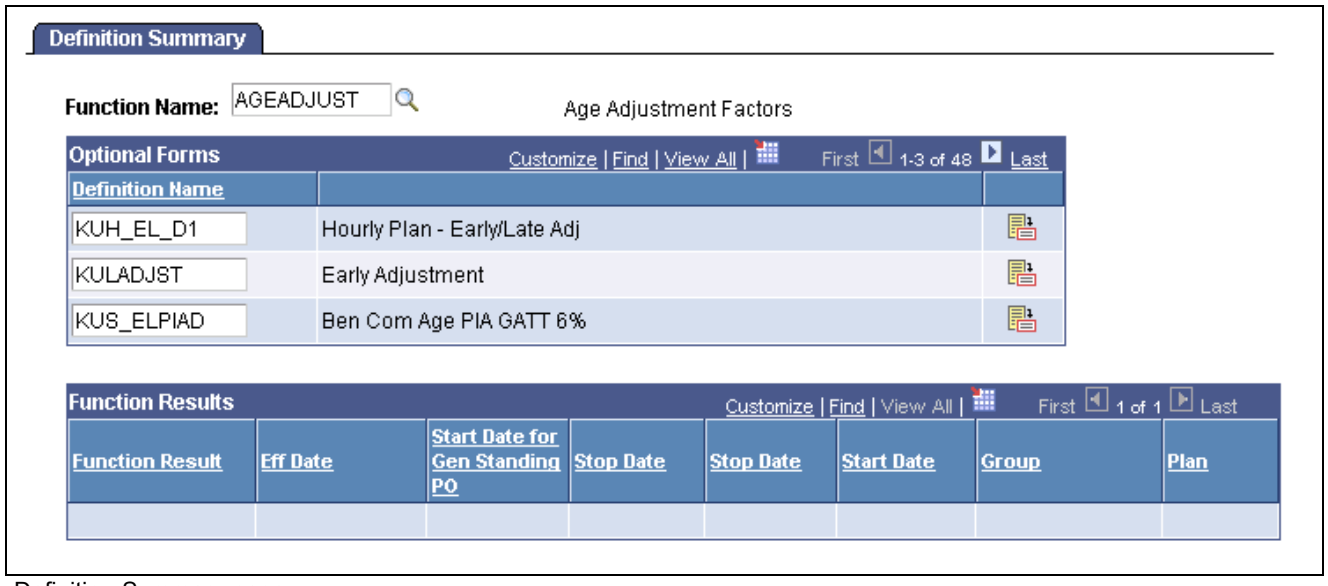
Select Select this check box to fill the lower portion of the screen with details about the segments.

To see detailed information for a different function result, select a new one (this automatically clears the previous one), then click the View button again.

Viewing the Definition Summary

Access the Definition Summary page.

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Definition Summary page

Function Name A definition always belongs to a specific function. To list the definitions for a particular function, first select a function.

 Click to view the results of a definition.

Function Results Lists the uses of a definition.

See Also

Appendix A, “Pension Administration Reports,” page 643

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CHAPTER 44

Using Pension Statuses

This chapter provides overviews of pension status codes and periodic processing for pension status codes and discusses how to:

- Define status criteria for active and terminated employees.
- Set up actuarial valuation.
- Produce Form 5500 participant counts.

Understanding Pension Status Codes

Pension status codes categorize participants based on pension-related information. Pension status codes are plan specific and effective-dated, enabling you to track an employee's changing status in a plan over time. These status codes are more than just informational. They are also the foundation for the actuarial valuation extract and the Form 5500 reporting.

Pension Administration maintains pension status codes in three ways:

Status Types	How Maintained	Included Statuses
Active and terminated employees.	Periodic processing assigns codes based on criteria that you define. These criteria typically come from the participant's personal data, job data, employment data, and pension calculation results.	ANP: Active, not yet participating. APR: Active participant. AVS: Active, accrue vesting only. ANS: Active, not accruing service. A70: Active, over age 70 1/2. TNV: Terminated, not vested. TDF: Terminated, deferred benefit (vested).

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Status Types	How Maintained	Included Statuses
Participants who are awaiting their first payments, and deceased participants.	Manually assign the status according to when specified events occur.	RDF: Retired, deferred benefit. DDF: Disability retired, deferred benefit. BDF: Beneficiary, deferred benefit. QDF: QDRO payee, deferred benefit. XBP: Deceased, with beneficiary. XNB: Deceased, no benefit or beneficiary.
Participants who have started receiving payments.	The system's payment process automatically assigns codes based on the payment instructions.	TST: Terminated, payment complete. TPY: Terminated, in pay status. TDF: Terminated, deferred benefit. RST: Retired, payment complete. RPY: Retired, in pay status. RDF: Retired, deferred benefit. DST: Disability retired, payment complete. DPY: Disability retired, in pay status. DDF: Disability retired, deferred benefit. BST: Beneficiary, payment complete. BPY: Beneficiary, in pay status. BDF: Beneficiary, deferred benefit. QST: QDRO payee, payment complete. QPY: QDRO payee, in pay status. QDF: QDRO payee, deferred benefit.

The five deferred benefit statuses (TDF, RDF, DDF, BDF, and QDF) are grouped into two categories. Set these manually—or, in the case of TDF, using periodic processing—at the time that you create the payee records in preparation for the first pension payments. If payments are later suspended, the payment process reassigns the deferred benefit status.

At implementation time, you perform three tasks related to pension status codes:

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- Set up criteria for the first group of status codes.
- Match all possible pension statuses to actuarial valuation categories.
- Choose how to report on employees based on their changing valuation categories over the year.

Understanding Periodic Processing for Pension Status Codes

Periodic processes are processes that you run on a regular basis to maintain your pension data. You can run periodic processes for all employees at once, for individual employees, or for employees that meet the criteria that you define in a custom statement. You can run periodic processes for one plan at a time or for all plans at once.

Pension Statuses is a periodic process that maintains the pension status codes. When you run this process, the system processes each employee whose current status is maintained through periodic processing (that is, an employee with an active or terminated status). The process evaluates each employee according to the status code definitions that you set up. Based on the results of this evaluation, a new status code is assigned. The effective date of the new status is the date of the periodic processing job.

If your status code definitions rely on calculated values, such as service, run the relevant calculation in the same periodic processing job that determines pension statuses. Otherwise, the needed values (in this case, service values) are not available.

It is important to run this process regularly—at least monthly—to keep the pension status codes current.

Note. Periodic processing updates status codes only for employees whose current status is one of the seven statuses handled through periodic processing. If an employee's current status indicates that the employee is dead, is in payment status, has finished receiving payments, or has a deferred benefit—except for status TDF (terminated, deferred benefit)—periodic processing does not change the status.

Defining Status Criteria for Active and Terminated Employees

To define status criteria for employees, use the Code Definition (STATUS_CODE_DEFINT) and Codes (STATUS_ASSIGNMENT) components.

This section provides an overview of pension status code usage with multiple jobs, lists pages used to define status criteria, and discuss how to:

- Create status code definitions.
- Assign a status code definition to a pension status code.

Understanding Pension Status Code Usage with Multiple Jobs

Multiple jobs processing adds an additional level of complexity to pension status code usage. A pension status is for an employee, rather than a job.

When you use multiple jobs processing for the pension status codes that are maintained by periodic processing and user-defined criteria (ANP, APR, AVS, ANS, A70, TNV, and TDF), you do not need to specify whether an employee is active or inactive in the criteria. This is because you define what constitutes an active participant on the Active/Inactive Job and Plan Aliases pages.

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For these seven pension status codes, you designate the active and inactive status when you assign the codes to custom statements. The active statuses (ANP, APR, AVS, ANS, and A70) apply only to active employees (using the active definition that you set up on the Active/Inactive Job page). The inactive statuses, TNV and TDF, apply only to inactive employees.

Multiple jobs processing provides access to additional information for the service status. This enables you to determine whether a participant is in a period of service credit eligibility.

See Also

Chapter 10, "Defining the Primary Job," Setting Up Active and Inactive Job Definitions, page 58

Chapter 29, "Using Database Aliases," Using Database Aliases with Multiple Jobs, page 249

Chapter 14, "Defining Service and Break Rules," Setting Up Service Function Results for Multiple Jobs, page 100

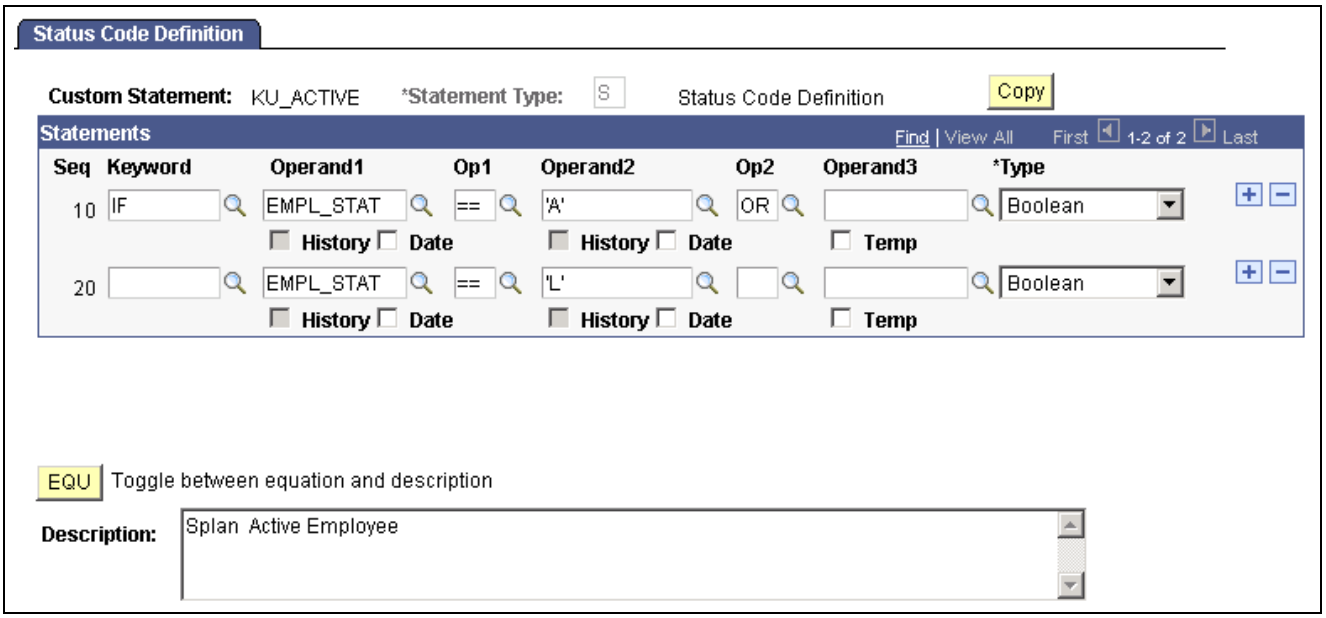
Pages Used to Define Status Criteria

Page Name	Object Name	Navigation	Usage
Status Code Definition	PA_CUSTOM_PNL	Set Up HRMS, Product Related, Pension, Status Rules, Code Definition, Status Code Definition	Define a pension status code.
Status Code Assignment	PA_STAT_ASSGNMT	Set Up HRMS, Product Related, Pension, Status Rules, Codes, Status Code Assignment	Assign a status code definition to a pension status code. You must first create a status code definition on the Status Code Definition page.

Creating Status Code Definitions

Access the Status Code Definition page.

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Status Code Definition page

A *status code definition* contains an IF statement that identifies the criteria for inclusion in this category—for example, the criteria for identifying active employees.

You must first set up the status code definitions on this page. Then, on the Status Code Assignment page, you assign a definition to each pension status code (you can reuse definitions, if appropriate).

Note. Because the pension status codes determine how participants are categorized for Form 5500 participant counts, be sure that your definitions categorize participants appropriately for regulatory reporting.

You do not need to use all of the valid pension status codes, but make sure that all participants belong to only one of the categories that you use. The statement type is always *Status Code Definition.*

Copy

Status code definitions can be complex. You can use the Copy button as a shortcut if you have multiple similar statements. To use it:

1. Establish the first statement.
2. Click the Copy button.
3. Enter a new name and description.

The system clones the original statement using the new name. You can then make minor adjustments to the new statement. If you must make major adjustments, consider creating a new definition instead.

Statements

You can use IN clauses (that is, clauses with the keyword *IN)* to check for several different values for a single field. For example, you can determine whether the employee status has one of these values: *active, leave,* or *leave with pay.* When you use an IN clause, you assign a temporary variable to the result, as shown in this example:

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Keyword	Operand1	Op1	Operand2	Op2	Operand3	Type
IN	EMPL_ STATUS		“active”			Function
	“leave”		“leave with pay”	=	TEMPC01	Function

You can set up as many IN clauses as necessary. Then, when you set up an IF statement, you check the temporary variables, as shown in this example:

Keyword	Operand1	Op1	Operand2	Op2	Operand3	Type
IF	TEMPC01	==	“Y”	AND		Boolean
	TEMPC02	==	“Y”			Boolean

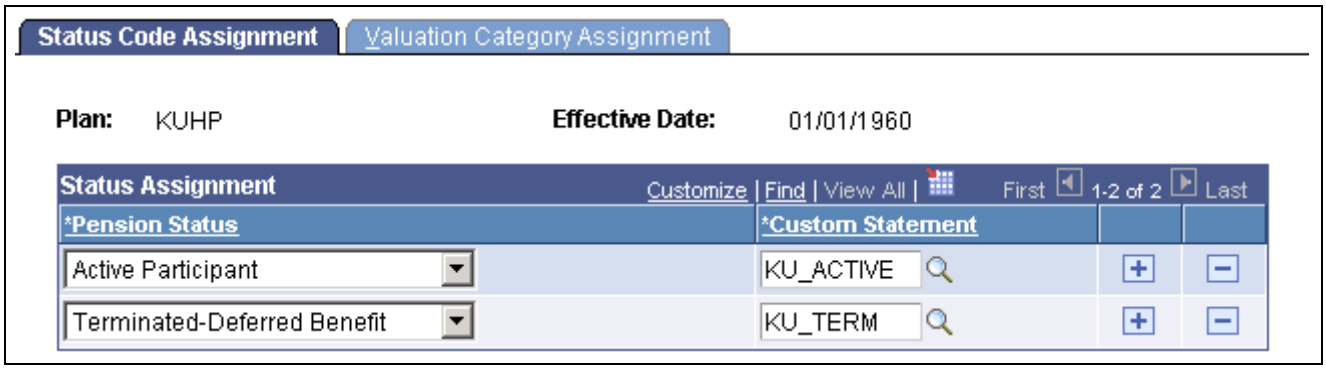
This technique is useful when you check a large set of valid values. Because the IN statement uses an implied OR condition, it separates all of the OR clauses from the AND clauses of the final IF statement.

See Also

Chapter 34, “Using Custom Statements and Spouse Eligibility Statements,” Using the Custom Statement Page, page 298

Assigning a Status Code Definition to a Pension Status Code

Access the Status Code Assignment page.



Status Code Assignment page

You must create a status code assignment for each plan. You can reuse definitions, if appropriate.

Pension Status Select a pension status code.

Custom Statement Select the associated status code definition.

Map real definitions only for the seven statuses that are set by periodic processing (A70, ANP, ANS, APR, AVS, TDF, and TNV).

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Setting Up Actuarial Valuation

To set up actuarial valuation, use the Codes (STATUS_ASSIGNMENT) and Actuarial Valuation Matrix (VAL_MATRIX) components.

This section provides an overview of actuarial valuation setup and discusses how to:

- Map valuation categories to a participant's pension statuses.
- Specify how to treat combinations of valuation categories.

Understanding Actuarial Valuation Setup

A pension plan is subject to an annual actuarial valuation so that an actuary can determine plan liabilities. Pension Administration produces the Actuarial Valuation Extract with the data necessary for the valuation.

Note. The Actuarial Valuation Extract does not analyze the data or offer conclusions about the plan's liabilities. It simply presents the relevant data that a qualified actuary can use to perform the valuation.

The extract creates two data files:

- *Active extract* containing the data for those whose benefits are still accruing.
- *Inactive extract* containing the data for those whose benefits are no longer accruing and who have not yet been paid.

Current employees covered under a plan, whether or not they have begun to participate, are typically active. Employees who have separated from service, whether receiving benefits or awaiting deferred benefits, are typically inactive. Beneficiaries and QDRO alternate payees are also typically inactive.

An employee's valuation category indicates to the system whether the employee belongs in the active file, the inactive file, both files, or neither file. When you run the Actuarial Valuation Extract, the system populates a table with the employee's valuation category as of the extract date: *Active, Inactive, Both,* or *Done.*

The next time you run the extract, an employee's previous valuation category can impact whether the employee appears in the active or inactive valuation file. For example:

- An employee who was previously active but who is now done (for example, an employee who terminated at some point during the year with a small benefit cashout) appears in that year's active file.
- An employee whose status was done both last time and this time does not appear in either extract file.

An employee with no recorded prior year valuation category is automatically assigned a prior category of none to indicate that no record exists.

Events that most likely change an employee's valuation category are terminations and rehires. Rehired retirees and employees over age 70 1/2 who are receiving mandatory pension distributions are the most likely to have a valuation category of both.

For your implementation, you must determine which pension status codes to associate with which valuation categories. You must also determine which extract files include which employees, based on every possible combination of the prior and current years' valuation categories.

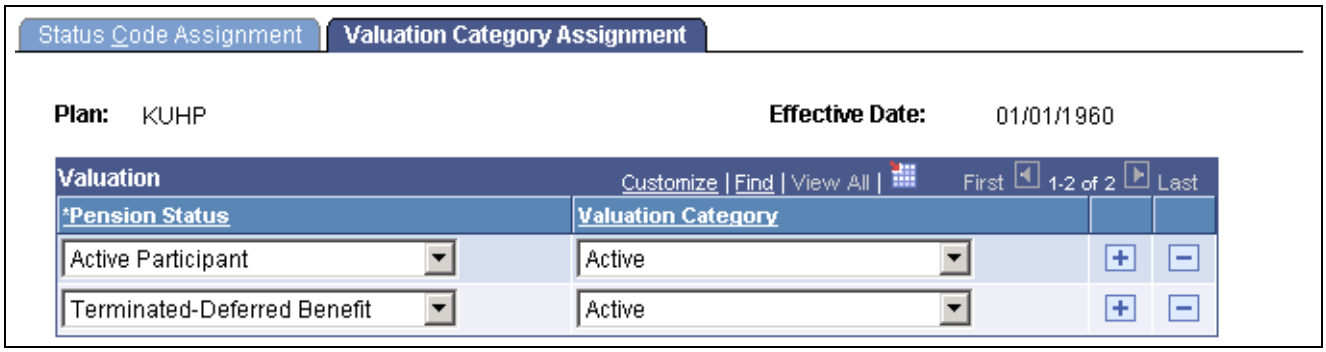
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Pages Used to Set Up Actuarial Valuation

Page Name	Object Name	Navigation	Usage
Valuation Category Assignment	PA_PEN_VAL	Set Up HRMS, Product Related, Pension, Status Rules, Codes, Valuation Category Assignment	Map the appropriate valuation categories to a participant's pension statuses. You must first assign the status codes on the Status Codes - Status Codes Assignment page.
Actuarial Valuation Matrix	PA_PEN_VAL_MTX	Set Up HRMS, Product Related, Pension, Status Rules, Actuarial Valuation Matrix, Actuarial Valuation Matrix	Specify how to treat combinations of valuation categories.

Mapping Valuation Categories to a Participant's Pension Statuses

Access the Valuation Category Assignment page.



Valuation Category Assignment page

Pension Status Insert a row for each of the system's 21 pension status codes.

Valuation Category For each status, identify one of the following valuation categories:

Active: Participants who still accrue benefits.

Inactive: Participants who are no longer accruing benefits, but have not yet been completely paid.

Both: Participants who fall into both the active and inactive categories—for example, a rehired retiree who is receiving pension payments and is also continuing to accrue additional benefits.

Done: Participants who have received their entire benefit. The plan no longer owes them anything.

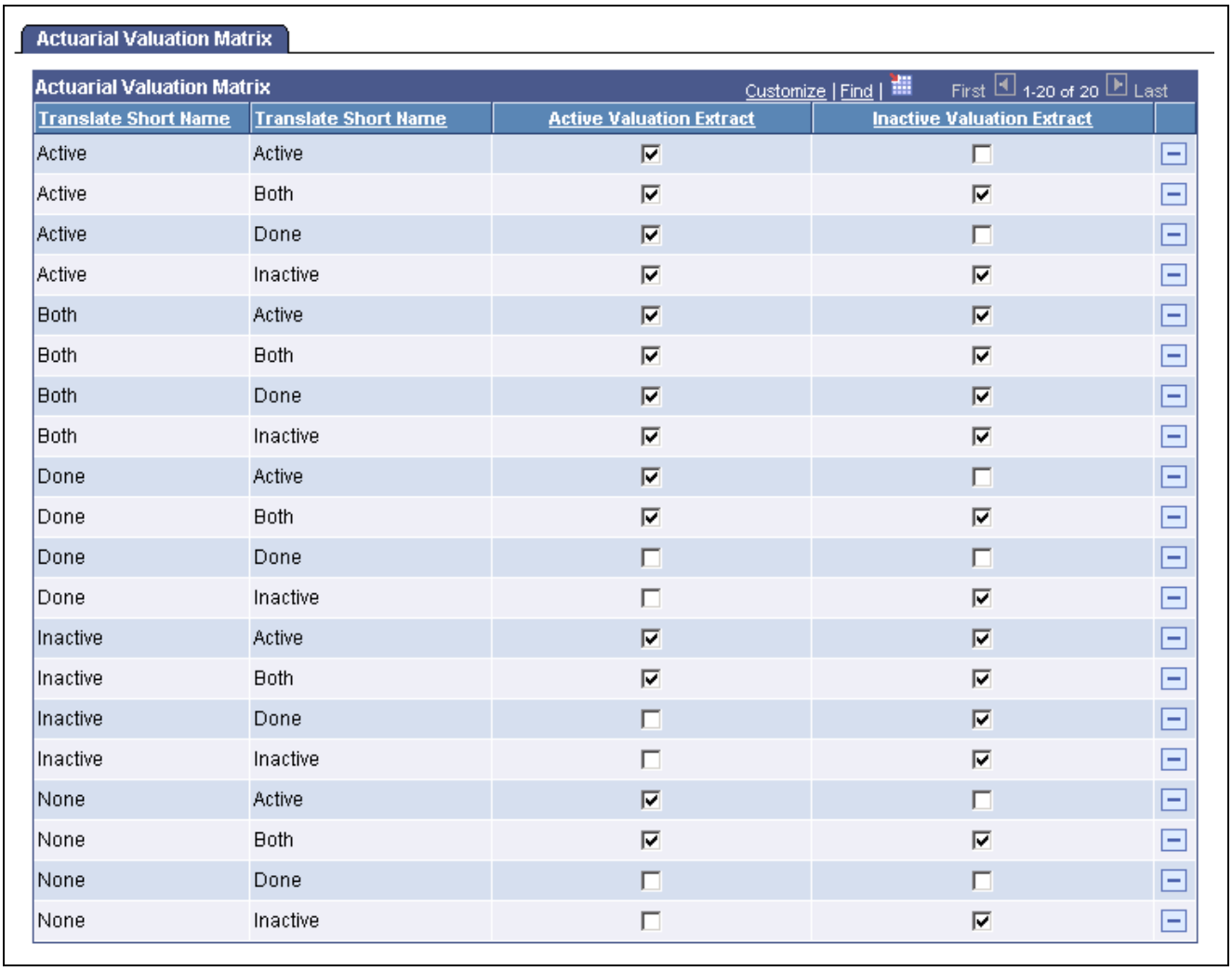
No Record Exists: You do not assign this value; the system sets it as the prior-year valuation category when an employee appears in the system for the first time.

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Specifying How to Treat Combinations of Valuation Categories

The Actuarial Valuation Extract uses a combination of the current and prior years' valuation categories to determine how to create the extract files. You use the Actuarial Valuation Matrix page to specify how the system should treat combinations of these valuation categories. The information that you set up on this page applies to all plans.

Access the Actuarial Valuation Matrix page.



Actuarial Valuation Matrix

Actuarial Valuation Matrix — Customize | Find | First 1-20 of 20 Last

Translate Short Name	Translate Short Name	Active Valuation Extract	Inactive Valuation Extract
Active	Active	☑	☐
Active	Both	☑	☑
Active	Done	☑	☐
Active	Inactive	☑	☑
Both	Active	☑	☑
Both	Both	☑	☑
Both	Done	☑	☑
Both	Inactive	☑	☑
Done	Active	☑	☐
Done	Both	☑	☑
Done	Done	☐	☐
Done	Inactive	☐	☑
Inactive	Active	☑	☑
Inactive	Both	☑	☑
Inactive	Done	☐	☑
Inactive	Inactive	☐	☑
None	Active	☑	☐
None	Both	☑	☑
None	Done	☐	☐
None	Inactive	☐	☑

Actuarial Valuation Matrix page

Active Valuation Extract and **Inactive Valuation Extract**

For each combination of prior year and current year valuation categories, select:

- Active Valuation Extract to include participants with this combination of categories in the active extract file.
- Inactive Valuation Extract to include participants with this combination of categories in the inactive extract file.

The delivered values appear by default, but be sure to conduct your own analysis.

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Note. You must scroll to review all of the possible combinations.

Producing Form 5500 Participant Counts

Pension status codes, along with vesting percentages, determine how participants are reported on Form 5500. Run periodic processing to update the pension status codes and vesting percentages before running the PASPC01 - Form 5500 Participant Count Report.

The following table indicates how status codes map to Form 5500 line numbers:

Code	Form 5500 Item 7	Additional Logic or Conditions
APR, AVS, ANS, A70	(a) 1	If vested percentage is 100.
APR, AVS, ANS	(a) 2	If vested percentage is greater than 0 and less than 100.
APR, AVS, ANS	(a) 3	If vested percentage is 0.
TNV	(h)	If terminated during the reporting year.
TDF	(c)	
TDF, TST, TPY, RDF, RPY	(h)	If terminated during the reporting year and vested percentage is less than 100.
TPY	(b)	
RDF	(c)	
RST	Not included	
RPY	(b)	
XBP	(e)	
XNB	Not included	
DDF	(c)	

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Code	Form 5500 Item 7	Additional Logic or Conditions
DST	Not included	
DPY	(b)	
BDF	(e)	
BST	Not included	
BPY	(e)	

The following table indicates how the Form 5500 line numbers map to pension codes:

Form 5500 Item 7	Code	Additional Logic or Conditions
(a) 1	APR, AVS, ANS, A70	If vested percentage is 100.
(a) 2	APR, AVS, ANS	If vested percentage is greater than 0 and less than 100.
(a) 3	APR, AVS, ANS	If vested percentage is 0.
(b)	TPY, RPY, DPY	
(c)	TDF, RDF, DDF	
(e)	BDF, BPY, XBP	
(h)	TNV TDF, TST, TPY, RDF, RPY	If terminated during the reporting year. If terminated during the reporting year and vested percentage is less than 1.00

Participants who terminated or retired during the reporting year with a vested percentage of less than 100 might be counted twice. The second occurrence is on line (h). This is acceptable because this line item is not part of the total participant count; it warns the IRS of a possible partial plan termination.

You must perform the count for row (i) separately. This row contains participants who have pension status codes TDF, RBP, XDF, and DDF, who terminated in the current 5500 reporting year, and who have not been paid (either completely or in part) by the due date for filing Form 5500.

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QDRO recipients who are not otherwise participants in their own right are not included.

Active participants who are older than 70 and are receiving payments are presumed to be 100 percent vested. In order to avoid counting them twice, they are counted as active (and not receiving payments) for 5500 reporting purposes.

See Also

Appendix A, “Pension Administration Reports,” PASPC01 - Form 5500 Participant Count, page 652

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CHAPTER 45

Running Periodic Processes

This chapter provides an overview of periodic processes and discusses how to:

- Run a periodic process.
- View process results.
- Review processing statistics.
- View processing errors.
- Use the Error table.

Understanding Periodic Processes

This section discusses:

- Periodic processing overview
- Calculation processes
- Noncalculation processes
- Housekeeping processes
- Processing order
- Processing rules
- Employee selection

Periodic Processing Overview

Periodic processing encompasses several processes that you use to maintain pension data. Several of the processes mirror individual calculation components. Other processes calculate plan-specific data that is not available through calculations. There are also two housekeeping processes.

See Also

Chapter 45, "Running Periodic Processes," Running a Periodic Process, page 398

Calculation Processes

Some of the system's core functions, listed below, have both Calculation and Periodic Processing modes:

- Plan eligibility
- Participation

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- Service
- Vesting
- Cash balance accounts
- Employee accounts

During a periodic processing job, these run in the same order that they do during a calculation. This means that plan eligibility runs first, enabling the system to filter out employees who have never been eligible.

Periodic processing creates a plan history that is independent of a particular calculation or termination date. Unlike calculations, periodic processing does not project into the future.

Depending on which function you use and whether you are running periodic processes or a calculation, you sometimes add onto the existing history or sometimes discard it and start a new one.

Function	Periodic Mode	Calculation Mode
Retirement eligibility and participation	Add onto existing history.	Disregard history; calculate from the beginning.
Service and vesting	Rebuild entire history each time.	Disregard history; calculate from the beginning.
Cash balance accounts and employee accounts	Add onto existing history. **Note.** In periodic mode, these functions do not process partial periods—only completed periods.	Use existing history for complete periods before the event date, then calculate additional accruals from the end of the available history up to the event date.

Plan Eligibility

The Plan Eligibility process always runs by default. If an employee is not and has never been eligible, processing for that employee ends. If an employee is currently or was previously eligible, processing continues, and the individual processes that you select on the Batch Periodic Process page run.

The Plan Eligibility process builds a timeline with an employee's eligible and ineligible status. Periodic processing adds onto the existing history. The only way to rebuild eligibility history from the beginning is by selecting the Delete and Rebuild Processing mode.

Warning! If you decide to delete and rebuild eligibility history, do not run any of the other processes affected by processing mode at the same time, unless you want to delete and rebuild those histories, too.

Other periodic processes use eligibility history. For example, if your service rules do not award service credit during periods of plan ineligibility, then the Service process uses the eligibility history to determine when employees are eligible and ineligible.

The calculation process does not use the stored eligibility history in calculations, because it recreates the eligibility history from the beginning.

You view eligibility history on the Review Plan History - Eligibility and Participation page.

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Participation

The Participation process evaluates employees according to the participation criteria, typically age and service. After an employee meets the criteria, the participation status does not usually change unless the employee loses service due to a break. Therefore, the participation history consists of a single date on which the employee began participating.

Employees can lose participation status due to withdrawal of contributions or breaks in service. If such an employee later requalifies for participation, the history still consists of only a single participation date (as if the earlier participation date never existed).

The stored participation history can be used if it is referenced by another periodic process. For example, the service rules can exclude time before the participation date. The calculation process never uses the stored history, because it recalculates the date from the beginning.

You view participation history on the Review Plan History - Eligibility and Participation page.

Service

The Service process calculates service according to the plan rules. If you have different service rules in a plan (participation service, vesting service, or service credit), the system processes each of the different service components. Running the Service process also automatically runs the Vesting process.

The Service process results are stored as history. The stored history can be used in other periodic processes. For example, cash balance credits can be based on service. The calculation process never uses the stored history, because it recalculates the entire history from the beginning.

The Service process always runs in Delete and Rebuild mode, so each time you run the Service process, the system deletes prior service histories and recalculates the entire history from the beginning. This enables the system to adjust prior periods if subsequent actions have affected the service amount.

You normally update the service history at the end of each service period. You can calculate service more often; the system includes service as of the process through date that you select.

You view service history data on the Review Plan History - Service History page.

Vesting

Whenever you run the Service process, the system automatically runs the Vesting process.

The Form 5500 participant count extract uses the vesting result and the pension status to categorize participants. Therefore, if you plan to run that extract, be sure to run the Vesting process (and therefore the Service process) immediately beforehand.

You view vesting result on the Review Plan History - Plan Information page.

Cash Balance Accounts

Cash balance accounts are the hypothetical employee accounts used in a cash balance plan to represent employees' accrued benefits. Cash balance accounts consist of credits—calculated as a percentage of employee earnings—and applicable interest.

Cash balance results are stored in a period-by-period history. When you run a calculation, the system uses the stored history (that is, periods completed before the event date) and calculates accrual only for subsequent periods. The history never has gaps. Each time that you run the process, it calculates the next period in an employee's cash balance history. For example, if you miss periodic processing for four periods, you must run the Cash Balance Accounts process four separate times to update the history.

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Note. Periodic processing handles only one cash balance period per job.

Process cash balance accounts at the end of each cash balance period. There is no point in processing more frequently because the system processes only complete periods.

Cash balance credits are based on consolidated earnings. Always run consolidated earnings for the period before running cash balances. Define your plan rules so that consolidated earnings appear earlier in the calculation job flow. If you do this correctly, you can run both processes in the same job and consolidations run first.

You view cash balance history data on the Review Plan History - Cash Balance History page.

Employee Accounts

Employee accounts track money that employees have contributed toward their pension benefits. Employee accounts consist of credits—determined by consolidated contributions—and applicable interest.

Employee account results are stored in a period-by-period history. When you run a calculation, the system uses the stored history (that is, periods completed before the event date) and calculates accruals only for subsequent periods. The history never has gaps. Each time that you run the process, it calculates the next period in an employee's account history. If, for example, you miss periodic processing for four periods, you must run four separate periodic processing jobs to update the history.

Note. Periodic processing handles only one employee account period per job.

You process the history at the end of each employee accounts period. There is no point in processing more frequently because the system processes only complete periods.

Employee accounts are based on consolidated contributions. Always run consolidated contributions for the period before running the Employee Accounts process. Define your plan rules so that consolidated contributions appear earlier in the calculation job flow. If you do this correctly, you can run both processes in the same job and consolidations run first.

You view employee accounts history data on the Review Plan History - Employee Account History page.

See Also

Chapter 48, "Viewing Employee Data," Viewing Plan Information, page 464

Chapter 48, "Viewing Employee Data," Viewing Eligibility and Participation Information, page 465

Chapter 48, "Viewing Employee Data," Viewing Service History, page 466

Chapter 48, "Viewing Employee Data," Viewing Cash Balance History, page 468

Chapter 48, "Viewing Employee Data," Viewing Employee Account History, page 469

Noncalculation Processes

Three processes calculate plan-specific data that is not part of the normal calculation job flow:

- Plan Dates.

  Plan dates are aliases that are resolved during the calculation, but by running them through periodic processing, you populate inquiry pages to access the results even without a calculation.

- Pension Statuses.

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Pension statuses are not processed during a calculation; therefore, it is important to run these processes regularly so that the results, which the calculation uses, remain current.

- Consolidations.

  Like pension statuses, consolidations are not processed during a calculation; therefore, it is also important to run these processes regularly so that the results remain current.

Plan Dates

The Plan Dates process always runs; you cannot select whether to run this process.

Your plan implementation includes aliases that establish the dates on which employees reach:

- Normal retirement age
- Early retirement age
- First vesting

You define these on the Plan Aliases page.

Updating plan dates determines the appropriate dates, based on your definitions. These dates are displayed on the Review Plan History - Plan Information page.

Pension Statuses

Pension status codes categorize participants, based on pension-related information. They are plan specific and effective-dated, enabling you to track an employee's changing status in a plan over time. These statuses are more than just informational; they are also the foundation for the actuarial valuation extract and Form 5500 extracts.

You use periodic processing to maintain the pension statuses for active and terminated employees. You manually update the status when you prepare payments. After you start paying benefits to your pension payees, the payment process automatically maintains pension statuses.

Periodic processing maintains the following pension statuses:

- ANP: Active, not yet participating.
- APR: Active participant.
- AVS: Active, accrue vesting only.
- ANS: Active, not accruing service.
- A70: Active, over age 70 1/2.
- TNV: Terminated, not vested.
- TDF: Terminated, deferred benefit.

Periodic processing evaluates the pension status only for employees with one of these statuses or with no recorded status. Individuals who receive, are about to receive, or have finished receiving pension payments are not affected by status code periodic processing.

If pension statuses are based on the results of service or participation, run those processes during the same job.

Run pension statuses before producing the actuarial valuation extract or the PASPC01 - Form 5500 Participant Count report. The PASPC01 report relies on vesting information and pension status. Vesting runs automatically during periodic service processing; therefore, service processing is the other prerequisite for Form 5500 reporting.

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You view service pension status data on the Employee Pension Status page.

Consolidations

A pension calculation uses vast amounts of historical data. Earnings histories, for example, can cover 20 years and more. If every calculation involved looking up each paycheck that an employee received during the period, processing would not be very efficient. You would also have to keep all that data available indefinitely, rather than eventually archiving it.

A more efficient way to deal with this data is to use the periodic Consolidation process. This gathers paycheck data and stores monthly or yearly totals. By separating the Consolidation process from the rest of the calculation, you can schedule this time-consuming operation for a convenient, off-peak time.

Your calculation accuracy depends on the availability of up-to-date consolidation information from periodic processing. The following are suggestions for handling consolidations:

- Keep consolidations current.

  When you produce year-end benefit statements, always run your calculations after running consolidations.

  When you run individual calculations, particularly final calculations, run ad hoc consolidations beforehand so that the very latest payroll information is included. If you run calculation estimates based on projected hours and earnings, it is not as important to consolidate first; the system starts the projection with the last available data. However, still use as much actual data as is available.

- Manage the final consolidation period.

  Calculations use the consolidation history up to, and including, the consolidation period that contains the event date (the date of termination or retirement).

  For example, suppose you consolidate yearly. If Gilbert terminates on November 12, 2006, his calculation has access to consolidated data up to December 31, 2006.

  If Gilbert's final paycheck is dated November 30, 2006, data from that check is available as long as you process his consolidations again after the payroll information is recorded in the PeopleSoft Enterprise Payroll for North America tables. However, if the check with his fourth quarter commission is dated January 15, 2007 and if you consolidate based on the check date, that final paycheck data is stored in the 2007 consolidation period. Because Gilbert terminated during the 2006 period, that data is not considered in the calculation. In this case, you might want to manually override the consolidation history.

  If you allocate earnings based on the earned date, then the bonus check data goes into the 2006 consolidation and you do not have to use a manual override. However, you must still run consolidations after the payroll run.

- Rebuild consolidations.

  Consolidations produce effective-dated results. Each effective-dated set of results contains multiple periods. By effective-dating the results, you can rerun consolidations without overwriting existing results. This is useful if, for example, you corrected or otherwise altered an employee's payroll data or your calculation rules, but you want to keep the prior consolidation results because you distributed benefit statements based on those results.

  Alternatively, you can reconsolidate and remove the earlier results if you do not need the earlier results.

  Periodic processing's normal mode is to continue to add segments to the existing effective-dated history. Use either a Delete and Rebuild mode or a Create New Consolidations mode when you set up a periodic job.

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See Also

Chapter 48, “Viewing Employee Data,” Viewing Plan Information, page 464

Chapter 51, “Maintaining Employee Pension Data,” Maintaining Pension Status Codes, page 496

Chapter 42, “Creating the Plan Implementation and Plan Aliases,” Adding Plan Alias Parameters, page 369

Chapter 45, “Running Periodic Processes,” Running a Periodic Process, page 398

Chapter 51, “Maintaining Employee Pension Data,” Maintaining Consolidated Payroll Data, page 507

Housekeeping Processes

The Payroll History and Delete Calc Results (delete calculation results) processes do not impact calculation results. They are housekeeping processes that help you manage your data.

Payroll History

The Payroll History process copies payroll data for each eligible employee from payroll tables (which are subject to periodic purging) to pension tables, where you keep the data available for future consolidations or reconsolidations. Only data that is more than one year old is copied.

The process copies data from payroll tables to pension tables, as follows:

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

Delete Calc Results

The Delete Calc Results process permanently deletes results for calculations that are not specifically protected from deletion and that have a deletion date earlier than the periodic processing date. The deletion date is part of the calculation inputs.

You use the Define Calculation - Main Page to delete results.

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See Also

Chapter 46, "Calculating Pension Benefits," Setting Up Employee Information and Processing Parameters, page 408

Understanding the Processing Order

When you run multiple processes in one job, the processes run in the following order:

1. Calculation functions and consolidations (the order comes from the plan implementation).
2. Pension status codes.
3. Plan dates.
4. Payroll history.
5. Calculation deletion.

Note. You cannot run a periodic process if you just deleted calculation results. You can run the delete process only if you also run other processes in the same run.

Processing Rules

Periodic processes rely on plan rules that you create. Rules for calculation functions, consolidations, and pension status codes are set up on definition pages and applied on the Function Results page.

The following are the navigational paths to the definition pages:

Definition Page	Path to Page
Earnings Consolidation	Set Up HRMS, Product Related, Pension, Components, Earnings Consolidation
Hours Consolidation	Set Up HRMS, Product Related, Pension, Components, Hours Consolidation
Contributions Consolidation	Set Up HRMS, Product Related, Pension, Components, Contributions Consolidation
Plan Eligibility	Set Up HRMS, Product Related, Pension, Components, Plan Eligibility
Participation	Set Up HRMS, Product Related, Pension, Components, Participation
Vesting	Set Up HRMS, Product Related, Pension, Components, Vesting
Service	Set Up HRMS, Product Related, Pension, Components, Service

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Definition Page	Path to Page
Cash Balance Accounts	Set Up HRMS, Product Related, Pension, Components, Cash Balance Accounts
Employee Accounts	Set Up HRMS, Product Related, Pension, Components, Employee Accounts
Pension Statuses	Set Up HRMS, Product Related, Pension, Status Rules, Code Definition Set Up HRMS, Product Related, Pension, Status Rules, Codes

Note. All of the processes except Pension Statuses use rules that are defined on the Function Result - Function Result page.

See Also

Chapter 41, "Setting Up Function Results," page 353

Chapter 11, "Consolidating Payroll Data," Setting Up Earnings Consolidations, page 64

Chapter 11, "Consolidating Payroll Data," Setting Up Hours Consolidations, page 77

Chapter 11, "Consolidating Payroll Data," Consolidating Contributions, page 86

Chapter 45, "Running Periodic Processes," Calculation Processes, page 389

Chapter 44, "Using Pension Statuses," page 377

Employee Selection

Use periodic processes to maintain data about your active employees:

- Pension statuses.
- Consolidated payroll information.
- Service accruals.
- Balances for cash balance accounts and employee contributory accounts.

Your processing population should always include all of the active employees currently participating in a plan.

You might also need to process active employees who are no longer plan participants. For example, if a plan calculates vesting service based on all hours worked at your organization, not just hours worked while eligible for the plan, you must continue processing consolidated hours for employees who transferred out of the plan due to a job change. Conversely, if an employee transfers into the plan, you must retroactively process consolidated hours for the time spent at your organization before the transfer.

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Sometimes you must also run processes for inactive employees. In particular, if employees receive additional pay after their retirement or termination date (vacation pay, bonuses, commission, or any type of deferred compensation), you must ensure that additional earnings, hours, and contributions are included in the consolidation history. Then, ensure that the consolidated information is included in service, cash balance, and employee contributory accounts. Therefore, you might continue processing employees who are no longer active, at least for a short time after they separate from service. If you have started paying pension benefits based on an earlier calculation that did not incorporate this information, you must recalculate the benefit, adjust the pension payments accordingly, and make retroactive payments for previous underpayment.

Running a Periodic Process

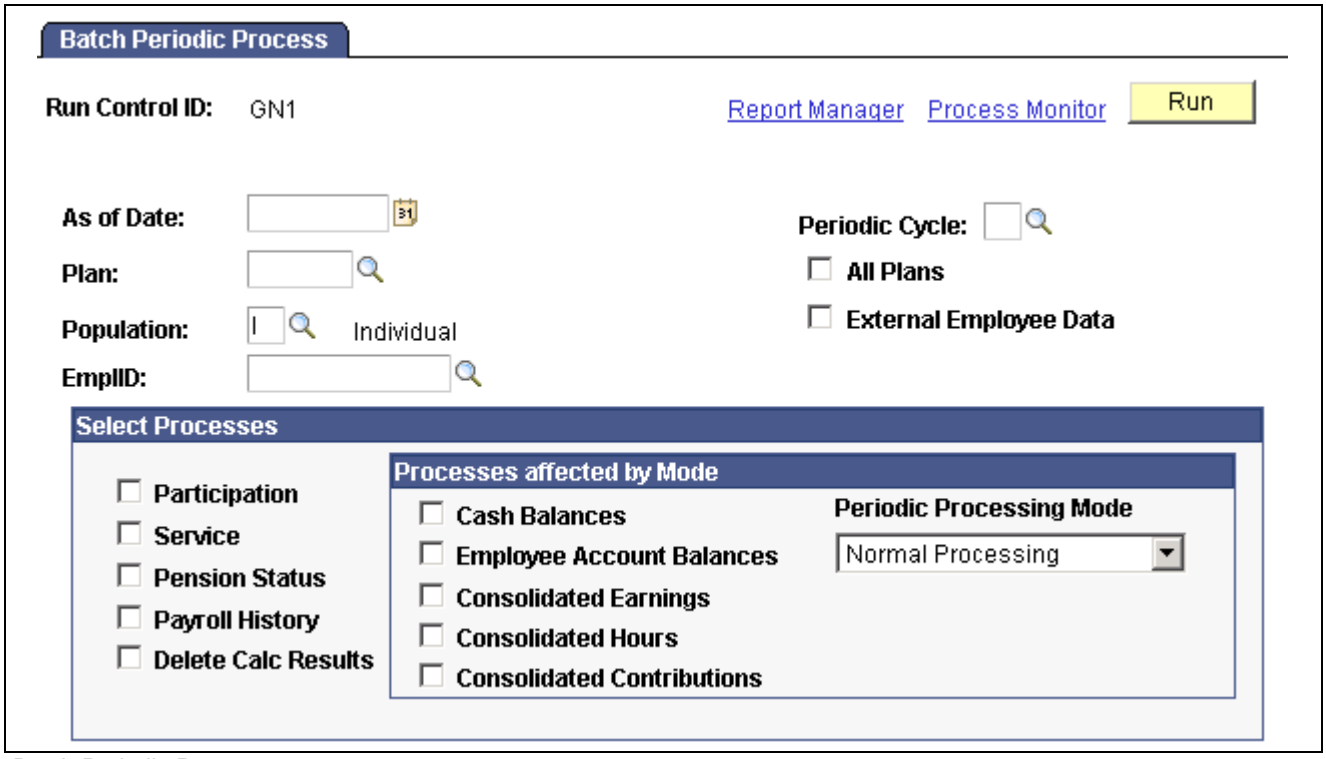
This section lists the page used to run a periodic process and discusses how to run a periodic process.

Page Used to Run a Periodic Process

Page Name	Object Name	Navigation	Usage
Batch Periodic Process	RUNCTL_PAPP01	Pension, Periodic Processes, Request Process, Batch Periodic Process	Run a periodic process.

Running a Periodic Process

Access the Batch Periodic Process page.



Batch Periodic Process page

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As of Date Because plan rules are effective-dated, the as of date identifies the appropriate plan rules to use. Typically, this is the system date, but if you rebuild the history using past plan rules, you can change this. If you use a date other than the system date, Pension Administration still uses the system date as the process-through date.

Periodic Cycle Select *Annual Cycle, Monthly Cycle,* or *Quarterly Cycle.* The system compares this date to the system date to determine the last complete period that it can process. Some processes produce results only for complete periods; other processes produce results for partial periods.

Plan Select the plan to run.

All Plans Select to indicate that the system should complete processing for all plans.

When you enter an individual plan in the Plan field, you can no longer select this check box.

Population Select the employee or employees to include in the process:

All Employees

Individual: An Empl ID (employee ID) field appears, in which you identify the individual.

Pre-defined Employee List: A List Name field appears, in which you enter the name of the list to process.

A *list* is a set of employees identified by their employee IDs. Create employee lists online by selecting Calculation Group List. However, if you have large populations of employees, populate this page using an SQR or other batch process, rather than manually entering individual employee names and IDs.

Pre-defined Group: A Group Name field appears, in which you enter the name of the group that you want to process.

A *group* is a set of employees identified by criteria that they must meet. You create groups for periodic processing on the Group Definition page. You construct group definitions through custom statements. These can become complex, so read about custom statements before attempting to create a group.

When you use a group, the system evaluates each employee in the system against the criteria to determine whom to process. This is a very slow process, and PeopleSoft does not recommend that you use it on a regular basis. Instead, use predefined employee lists, which process the employees on the list without evaluating other employees.

Note. List processing is much more efficient than group processing. A group defined as *all employees belonging to Plan A* takes exponentially longer to process than a list consisting of the exact same employees. It is worthwhile to use SQRs to create and maintain lists for periodic processing. For example, to process all employees who are paid monthly, do not create a group. Instead, create an SQR that selects employees who are paid monthly and creates a calculation group list consisting of those employees. Run that SQR again before each periodic processing to keep your lists up to date.

External Employee Data Select this check box to load data from an external human resources system using your own user-coded data transfer. Use this option if you have a

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standalone system. If you check this option, the system executes your data-loading module before running individual processes.

Select Processes

This group box lists the processes that you can run. Three periodic processes do not have check boxes: Plan Eligibility and Plan Dates, which always run; and Vesting, which runs whenever you run the Service process.

Processes available through periodic processing are as follows:

Processes affected by Mode

Periodic Processing Mode

The periodic processing mode that you select affects only the processes displayed in this group box.

Normal Processing: Adds new rows to the current history.

Delete and Rebuild: Deletes the existing history and builds new rows, beginning with an employee's original hire date. Consolidations, which effectively date the rows in the history, use the hire date as the effective date for the newly built rows. Use this option if you made corrections to an employee's personal or payroll data, causing the old history to be invalid.

Warning! Do not use Delete and Rebuild mode if the history contains information that was loaded at implementation time, and thus cannot be recalculated based on other data stored in the system.

Create New Consolidations: Applies only to the three consolidation processes. You typically do not run other processes when you select this option, but if you do, they run in Normal Processing mode. This option leaves the existing consolidation history intact while creating a completely new set of history data. The effective date of the new data is the as of date (which is not necessarily the current date). This option enables you to keep a record of the previous data while generating new values based on corrections to either plan rules or employee payroll data.

Note. If permanent overrides are present in the current consolidations, you cannot use Delete and Rebuild or Create New Consolidations mode. You must first remove the overrides.

Cash Balances and **Employee Account Balances**

Process full periods only. These functions process only one period at a time. For example, if you are on a monthly cycle and you run your first processing of the year after April, only January is processed. You must run the process three more times to bring the history up to date.

Consolidated Earnings, Consolidated Hours, and **Consolidated Contributions**

Process full and partial periods. These functions can process multiple periods during a single periodic processing job. They process as many periods as necessary to update the data to the current system date. For example, if you are on a monthly cycle and you run your first processing of the year in April, the system automatically runs consolidations for January, February, and March in the same job.

Click the Run button to run this request. Process Scheduler runs the Periodic Processing process at user-defined intervals. Periodic processing typically runs on the server. Select Batch Periodic Process Program and click OK to put the job into the Process Scheduler queue.

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Use the Run Recurrence parameters to schedule regular recurrences of your periodic processing.

See Also

Chapter 34, “Using Custom Statements and Spouse Eligibility Statements,” page 297

Chapter 45, “Running Periodic Processes,” Understanding Periodic Processes, page 389

Viewing Process Results

To find consolidation results, use the Review Consolidation Results component. There you can also update the data by entering overrides. For example, if there were errors in the original payroll data, you can override the consolidation, rather than correcting the data in the payroll tables (to which you might not have access) and rerunning the process.

To view all other results, see the Review Plan History component. These results are not editable. However, you can enter manual adjustments for employee accounts, cash balance accounts, and service by selecting Update Employee Plan Data. Adjustments are incorporated into the history during the next periodic processing run.

See Also

Chapter 51, “Maintaining Employee Pension Data,” Maintaining Consolidated Payroll Data, page 507

Chapter 51, “Maintaining Employee Pension Data,” Maintaining Employee Plan Data, page 497

Chapter 48, “Viewing Employee Data,” Viewing Plan-Related Information, page 464

Reviewing Processing Statistics

This section lists the page used to review processing statistics and discusses how to review processing statistics.

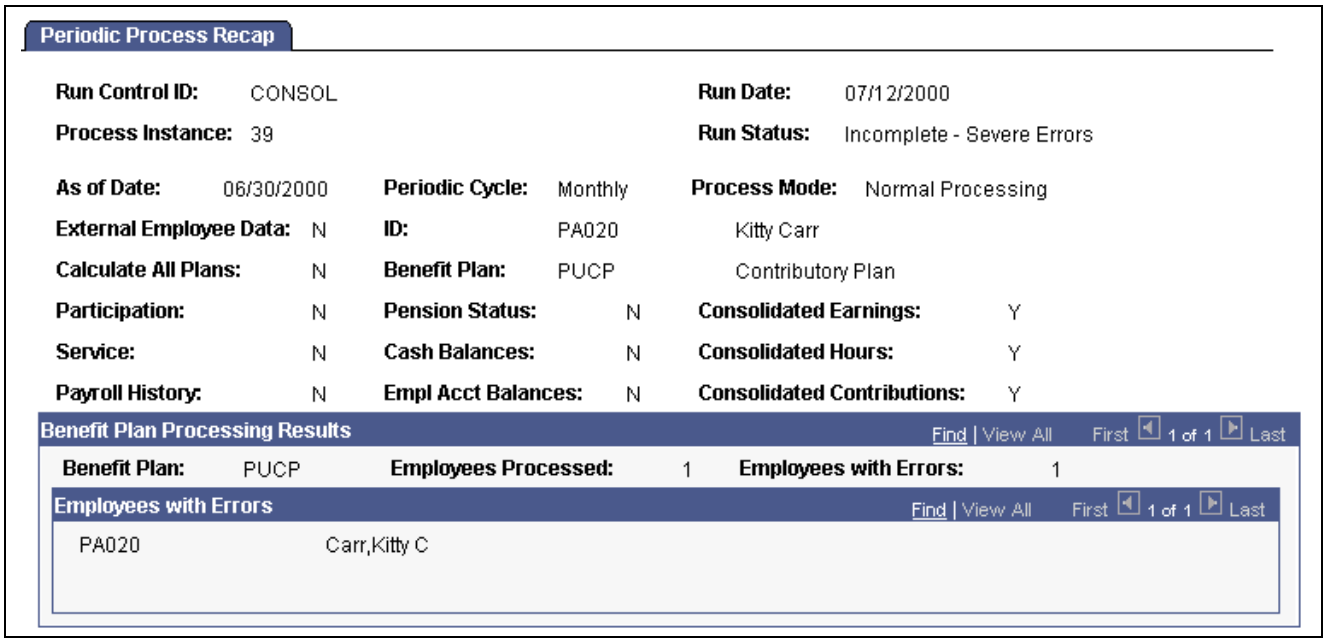
Page Used to Review Processing Statistics

Page Name	Object Name	Navigation	Usage
Periodic Process Recap	PA_PRDIC_RSLTS	Pension, Periodic Processes, Review Process, Periodic Process Recap	Review processing statistics after running periodic processes.

Reviewing Processing Statistics

Access the Periodic Process Recap page.

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Periodic Process Recap page

Run Date and **Run Status** Indicates whether the job ran and whether it was completed successfully.

ID Displays an employee ID and name, a group name, a list name, or an indicator that you processed all employees.

Employees with Errors If this text box is empty, then there were no errors.

If there are employees with errors, research those errors on the Message Log page.

Next to each of the individual processes that are available during periodic processing, the system displays *Y* (yes) or *N* (no), indicating whether you ran that process.

Note. The process instance appears at the bottom of the Periodic Process page while the process is running.

Viewing Processing Errors

You view processing errors on the Message Log page. To view periodic processing errors:

1. In the Process Instance field, enter the process instance displayed at the top of the Periodic Process Recap page.
2. Select the Show Program Names check box if you want to see the name of the COBOL program that issued each message.
3. Click the Search button.

   All processing errors for the selected job appear in the Messages group box. The DateTime / Program Name field includes the name of the COBOL program (if you selected the check box).

   Each row also includes a text box containing the error message. The employee ID and other identifying information appear at the end of the message.
4. Click the More button next to the message to view additional explanatory text.

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See Also

Chapter 45, “Running Periodic Processes,” Reviewing Processing Statistics, page 401

Chapter 46, “Calculating Pension Benefits,” Viewing Calculation Messages, page 424

Using the Error Table

When periodic processing encounters erroneous or missing data for an individual, it stops processing for that individual and continues with the next available individual. Examples of data errors include:

- Missing date of birth
- Missing date of hire
- Unresolved date alias

When data errors occur, the system writes a row of data to the PS_PA_EE_ERR_TBL table. This table contains seven fields:

- EMPLID
- BENEFIT_PLAN
- ASOFDATE
- RUN_CNTL_ID
- PGM_NAME
- PARA_NAME
- ERR_MSG

You can use this information to troubleshoot and correct the data error. After the data is corrected, you can delete the rows in PS_PA_EE_ERR_TBL and rerun periodic processing for the affected individuals.

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CHAPTER 46

Calculating Pension Benefits

This chapter provides an overview of pension benefit calculations and discusses how to:

- Run calculations for multiple employees.
- Set up benefit calculations.
- Run calculations.
- Access calculation results.
- View calculation messages.
- Review processing results.
- Protect a calculation.
- Run Qualified Domestic Relations Order (QDRO) calculations.
- Calculate social security.

Understanding Pension Benefit Calculations

Pension Administration uses the plan rules that you set up to calculate pension benefits.

When you run a calculation, you specify the employees and plans to include in the calculation. Additional fields enable you to enter assumptions about information that is not restricted by the plan rules. For example, you can enter a benefit commencement date or a salary escalation rate.

You can also enter overrides to set up what-if scenarios for information that plan rules normally control. For example, you can override the calculated vesting percentage with a 100 percent vesting assumption.

The system assumes that an employee who is not eligible, or who is eligible but not participating, has no benefit accrued. Therefore, a calculation does not end when the calculation determines that an employee is ineligible or not participating.

Running Calculations for Multiple Employees

This section provides an overview of how to run calculations for multiple employees, lists the page used to run calculations for multiple employees, and discusses how to:

- Create a list of selected employees.
- Create a calculation group.

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Understanding How to Run Calculations for Multiple Employees

There are two ways to run calculations for multiple employees:

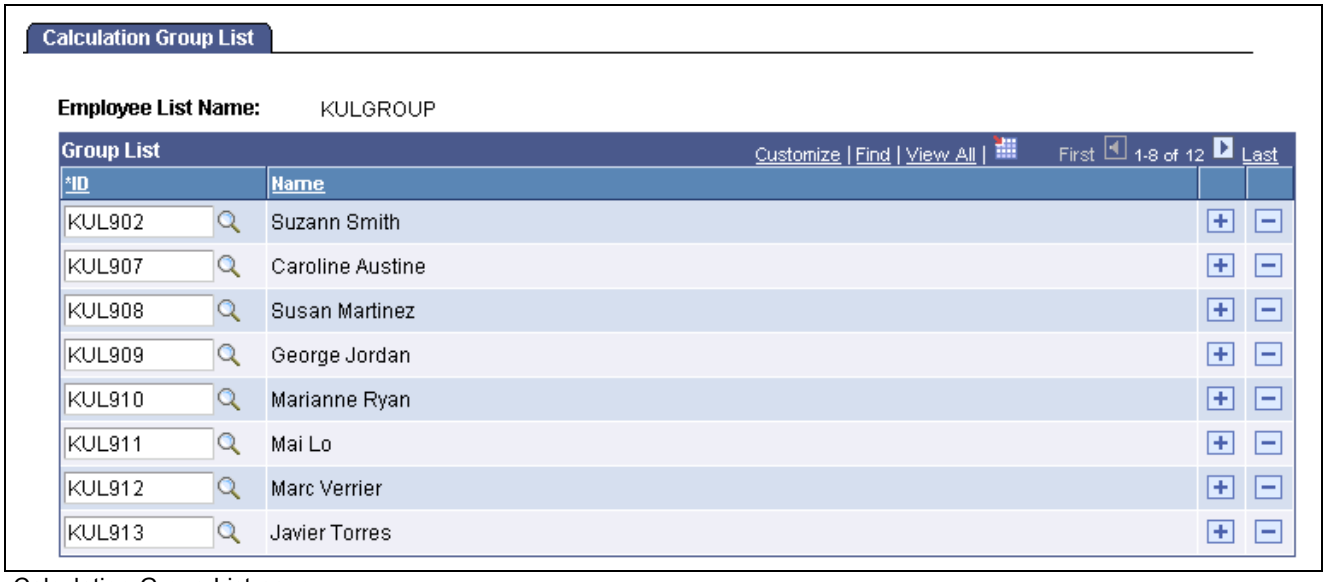
- Use a predefined list of individually selected employees.
- Use a group defined by a custom statement.

Page Used to Run Calculations for Multiple Employees

Page Name	Object Name	Navigation	Usage
Calculation Group List	PA_CLC_GROUP	Pension, Calculations, Create Group List, Calculation Group List	Create a list to use when running a calculation on a predefined list of employees.

Creating a List of Selected Employees

Access the Calculation Group List page.



Calculation Group List page

Add employees to the list by inserting rows and entering each employee's ID.

If you process large groups of employees, consider using a database tool, such as SQLTalk, to enter the data. For example, to run benefit calculations for all employees in a division, you probably do not want to enter every employee's ID on this page. It's faster to use SQLTalk to select all employees in that division and copy their employee IDs to the calculation group list.

Keep in mind that this is a static group based only on employee ID—not on dynamic criteria, such as salaried status or full-time status. Therefore, if you set up a list based on employees who meet certain criteria, you must maintain the list as employee data changes. In this situation, consider creating a custom SQR that you can run as often as needed to repopulate the list with current data.

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Creating a Calculation Group

You can create a predefined calculation group that is based on custom statements, rather than specific, handpicked employees. Although calculations for predefined groups take longer than those for predefined lists, they are much quicker to set up, because you do not have to manually select individual employees who meet your calculation criteria, and they require no maintenance. They automatically select only employees who meet your criteria at a given point.

See Also

Chapter 40, "Grouping Employees," page 345

Setting Up Benefit Calculations

This section lists the pages used to set up benefit calculations and discusses how to:

- Create a calculation naming standard.
- Set up employee information and processing parameters.
- Enter plan-specific information.
- Enter override values.
- Isolate individual calculation components.
- Adjust amounts for individual components.

Pages Used to Set Up Benefit Calculations

Page Name	Object Name	Navigation	Usage
Main Page	PA_CALCULATION_2	Pension, Calculations, Define Calculation, Main Page	Set up employee information and processing parameters: • Enter assumptions for employee hours, earnings, and beneficiaries. • Request that detailed values be stored with the results. • Run custom code to access employee data from another system. • Assume full service credit. • Establish when to delete results from the system.
Plan Inputs	PA_CALCULATION_3	Pension, Calculations, Define Calculation, Plan Inputs	Enter plan-specific information about ages, dates, and overrides.

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Page Name	Object Name	Navigation	Usage
Function Overrides	PA_CALCULATION_5	Pension, Calculations, Define Calculation, Function Overrides	Enter override values for calculation components. **Note.** The processes listed on this page are brought in when you identify a plan and an as of date on the Main Page.
Process Selection	PA_CALCULATION_4	Pension, Calculations, Define Calculation, Process Selection	Isolate individual calculation components to calculate those results without running through an entire calculation. For example, if you enter an override for the benefit formula result, you can process only the optional forms function, bypassing service, final average earnings, and all other functions that you already ignore by entering the benefit amount override. You must first enter a plan and as of date on the Main Page.
Adjustments	PA_CALCULATION_6	Pension, Calculations, Define Calculation, Adjustments	• Adjust amounts for individual components, such as participation service and vested benefit. • Arithmetically modify function results. You must first identify a plan and as of date on the Main Page.

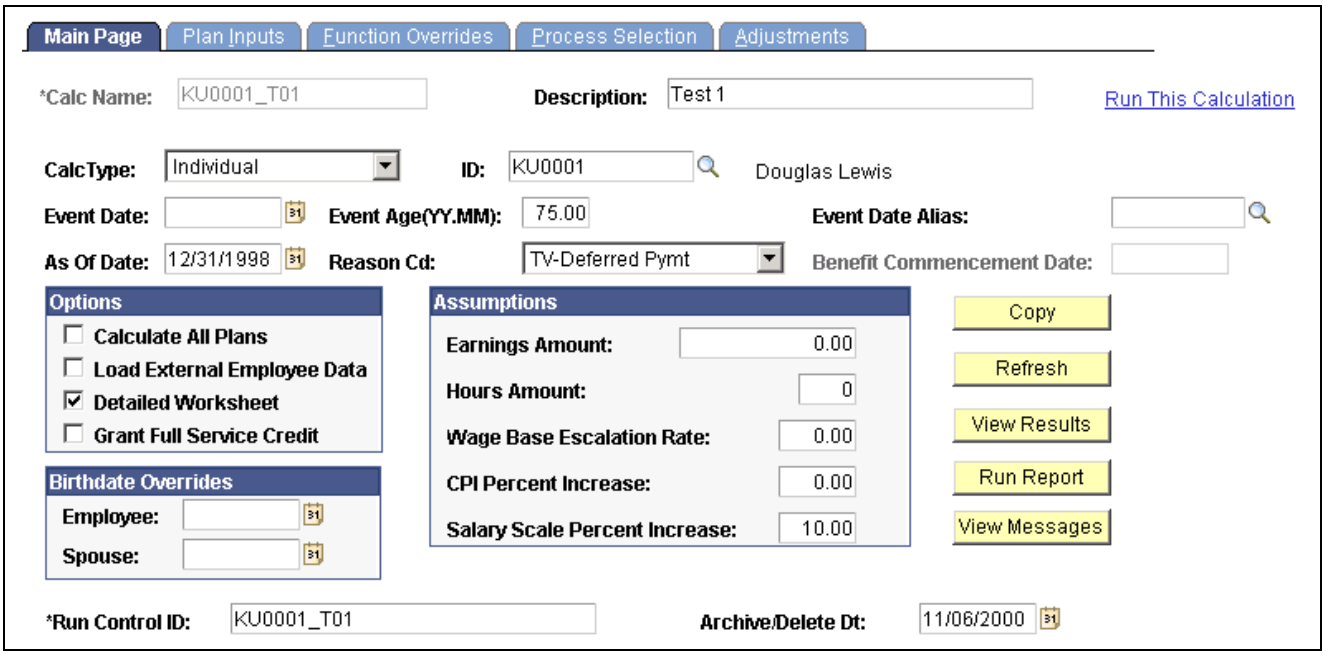
Creating a Calculation Naming Standard

Use the calculation name to access calculation-related information throughout the system to view and report on the calculation results, to offer optional forms to employees, and to pay employees based on the optional form. For this reason, assign meaningful calculation names. The Calculation Name field is 20 characters long. Your naming standards could also incorporate employee names or IDs, the date or reason for the calculation, or sequential numbering when you have multiple calculations for a single employee. Develop a naming standard that gives you the information to distinguish one calculation from another at a glance.

Setting Up Employee Information and Processing Parameters

Access the Main Page.

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Main Page page

CalcType (calculation type) You can run a calculation for an individual employee, a predefined list of employees, or a predefined group of employees.

ID, List Name, or **Group List** The field that appears depends on the value you select in the CalcType field. When you select:

- *Individual,* the ID field appears.

  Enter the ID of the employee for whom you are running a calculation.

- *Pre-defined List,* the List Name field appears.

  Enter the name of a predefined calculation group list that contains a static list of employees.

- *Pre-defined Group,* the Group Name field appears.

  Enter the name of a predefined calculation group. This group need not be static. It can consist of criteria defined by a custom statement that is used to dynamically identify group members.

Event Date, Event Age (YY.MM), and **Event Date Alias** An employee's pension benefit depends on when the employee ends employment. Service stops accruing as of the event date. Benefit eligibility might depend on the event date, and other calculation components might use this date, depending on how you configure your calculation rules.

You can use one of these fields to set the event date:

- Event Date: The current (system) date appears by default. You can enter other dates to perform historical calculation or estimates for the future.
- Event Age: To use the event date associated with a specific age, enter the age in the format *yy.mm.*
- Event Date Alias: You can use this option to calculate a precise event date. You can define the event date by specifying the hard-coded event date,

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the event age, or by using other factors, such as the number of years an employee has been with the company.

Note. Enter a value in only one of these fields.

As Of Date

Because your plan rules are effective-dated, you must enter an as of date for the plan rules. If you are reproducing a past estimate, this date ensures that you use the rules that were in effect at the time. Typically, the as of date is the same as the event date.

Note. The system brings the plan rules onto the calculation pages based on a combination of the plan and the as of date. If you're testing changes to your plan rules, you must reenter one of these values, usually the as of date, to pick up the changes. This reloads all of the data on the Function Overrides and Process Selection pages, so you also must reenter data on those pages.

Reason Cd (reason code)

Enter one of the following codes to indicate the reason for the event:

- *Death*
- *Disability*
- *QDRO Alternate Payee*
- *Retirement*
- *TV - Deferred Pymt* (terminated vested - deferred payment)
- *TV - Immediate Pymt* (terminated vested - immediate payment)
- *Web Estimate*

Your plan rules might reference this field when death and disability have different calculation rules from the rules used for regular termination and retirement. This field's significance depends on how your company sets up calculation rules.

You can leave this field blank.

Archive/Delete Dt (archive or delete date)

Enter an expiration date here to have periodic processing delete the calculation and its results as of that date.

If you leave this field blank, the system uses the current date as the expiration date. If you do not want periodic processes to delete the calculation, do not run the Delete Calculations periodic process.

Periodic processing deletes calculation results if both of the following conditions are met:

- The archive or delete date on the calculation page is in the past.
- The calculation is not explicitly protected on the Protect Calculation page.

Benefit Commencement Date or **Benefit Commencement Dt Alias**

The field that appears depends on the value you select in the CalcType field. When you select:

- *Individual,* the Benefit Commencement Date field appears.

  Enter the date when benefits begin for the employee for whom you are running a calculation.

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- *Pre-defined List* or *Pre-defined Group,* the Benefit Commencement Dt Alias field appears.

  Enter the name of an alias that contains the date when benefits begin for the group or list of employees for whom you are running a calculation.

Copy

To run calculations for several retirement scenarios (for example, different event dates or retirement dates for an employee's retirement counseling), you must run multiple calculations. Most of the data in these calculations is the same. Use this button to clone the current calculation parameters in a new calculation. After you clone an existing calculation, you can make minor modifications to set up the alternative retirement scenario.

When you click this button, the system automatically saves changes to the current calculation.

Note. This button is not available in Add mode.

Warning! When you click this button, the system does not ask if you want to save changes; it just saves them. When using the Copy button, be careful not to save unwanted changes.

After the system saves the current calculation, it prompts you for a new calculation name and description.

Enter the information and click OK. The system displays the new calculation, but it has not yet been saved. Be sure to explicitly save the new calculation before leaving the page.

Options

Calculate All Plans

If you select this option, the system runs the calculation on all plans associated with the employee, list, or group.

If you select this check box, the system uses the plan normal retirement date (NRD) as the benefit commencement date and the lump sum date. You can override this default for individual plans by manually adding those plans to the scrolling area. If you set a different benefit commencement date without associating that date with a plan, you do not override the default.

If you clear this check box, the system displays a warning message reminding you that 415 limits apply to all qualified plans and that you should be sure to include all plans for which the employee is eligible.

Note. If each plan has a plan eligibility function that filters out ineligible employees, *All Plans* really means all the plans for which an employee is eligible.

You can also run a calculation for more than one plan at a time by adding a row on the Plan Inputs page.

Load External Employee Data

Pension Administration normally receives employee data from the PeopleSoft Enterprise HRMS tables. Users of a standalone system might not have this data available. If you select this check box, the system runs your own custom

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process to bring relevant employee data into the calculation linkage, where it is then available to all of the pension functions.

This option does not populate the relevant HRMS tables.

Detailed Worksheet

A benefit calculation is based on several components, including service, vesting percentage, earnings, and contributory balances. When you run a calculation, the system captures the values of all the components. This enables you to view basic information used to determine the benefit.

In calculating each component, the system also produces intermediate results. For example, to calculate total service, the system calculates service for each annual period during the participant's employment.

If you select this check box, the system preserves these intermediate results for reporting purposes. The system already has fields to hold the results; selecting this option just captures the data.

Grant Full Service Credit

Contributory plans frequently associate contributions with service. Terminating employees who withdraw their contributions forfeit the corresponding service, and rehired employees who repay their contributions (with interest) can have that service credit restored.

You might run calculations for a rehired employee who is considering buying back service or who is in the process of buying back the service.

If you select this check box, the calculation gives the employee full credit for all of the service that was forfeited because of a withdrawal of contributions.

This option does not affect the employee account balance, which still includes only money that was actually paid into the account.

Birthdate Overrides

Employee and **Spouse** or **Number of Years added to Age**

The field or fields that appear depend on the value you select in the CalcType field. When you select:

- *Individual,* the Employee and Spouse fields appear.
  - In the Employee field, you can optionally enter a date to override an employee's birth date.
  - In the Spouse field, you can optionally enter a date to override a spouse's birth date.

    The spouse birth date applies only to beneficiaries who are spouses. Because employees can have different non-spouse beneficiaries for each plan, the beneficiary birth date override is a plan-level override. The beneficiary birth date override field is on the Plan Inputs page.
- *Pre-defined List* or *Pre-defined Group,* the Number of Years added to Age field appears.

Note. This override applies only to an employee—not to a spouse or other beneficiary. The Beneficiary Birth Date Override field on the Plan Inputs page doesn't change for group calculations; it is therefore inappropriate to enter beneficiary birth date overrides when running group calculations.

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Assumptions

To estimate a benefit for a future event date, you must usually estimate future earnings, hours, and contributions. To calculate social security for a future retirement, you must make assumptions about annually published government tables, such as the taxable wage base table.

You can enter assumptions for each plan. If you select the Calculate All Plans check box, you can only enter assumptions for plans that you specifically add to the list of included plans.

Functions and utilities that use this information (social security, projections, and others) automatically have access to your parameters.

Earnings Amount and **Hours Amount**	When a calculation projects earnings or hours, these values determine the current period amounts, if the rules so specify. The plan rules can specify either that this amount replace the entire period or that it be prorated and used only for the incomplete portion of the current period.
Wage Base Escalation Rate	Indicates the assumed rate of increase in the taxable wage base. This is used for social security calculations and can also affect other calculation components, depending on plan rules.
CPI Percent Increase (consumer price index percentage increase)	Indicates the assumed rate of increase in the CPI-W table. This is used for social security benefit increases.
Salary Scale Percent Increase	Indicates the assumed rate of increase in periodic earnings. This is used when projecting earnings. Enter a rate that is consistent with the type of earnings period (annual, monthly, or other).

See Also

Chapter 46, “Calculating Pension Benefits,” Protecting a Calculation, page 427

Chapter 46, “Calculating Pension Benefits,” Accessing Calculation Results, page 424

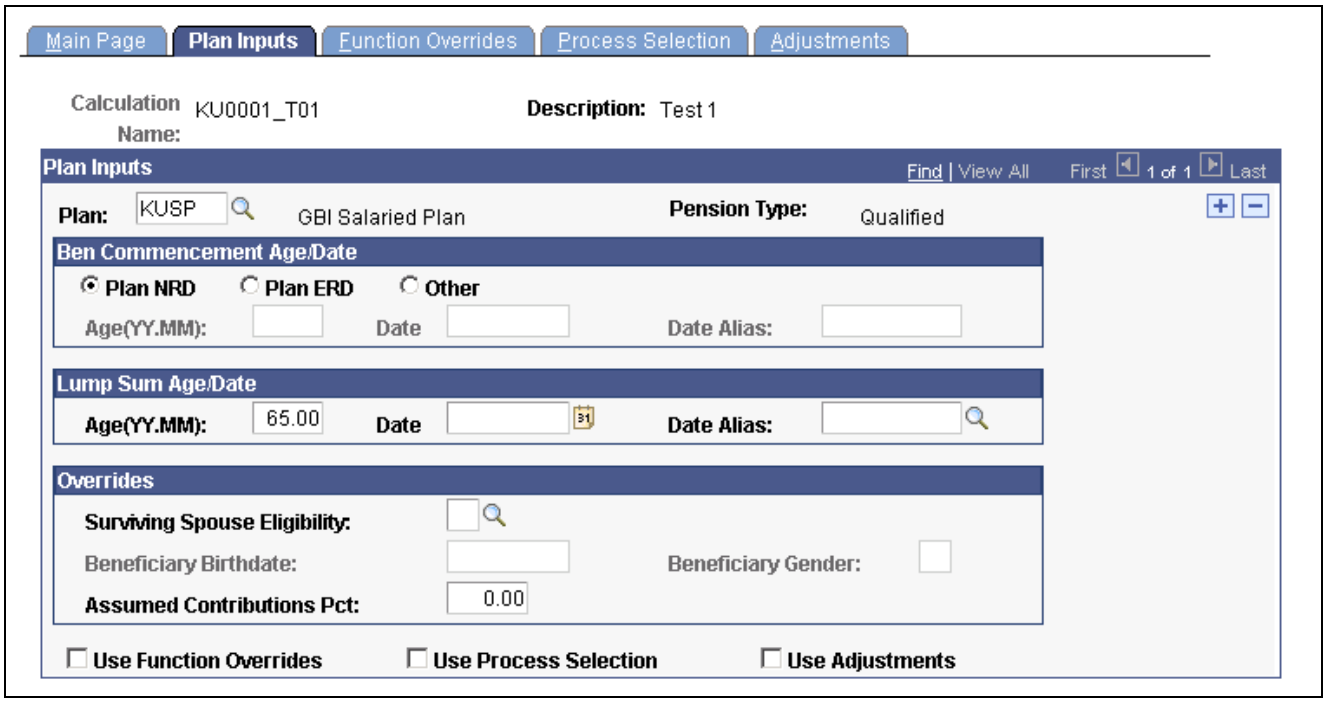
Chapter 51, “Maintaining Employee Pension Data,” page 493

Chapter 45, “Running Periodic Processes,” page 389

Entering Plan-Specific Information

Access the Plan Inputs page.

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Plan Inputs page

Plan Inputs

Plan and **Pension Type**

When you enter a plan name, the system displays the pension type: *Qualified* or *Nonqualified.*

By inserting a new row in this section, you can calculate multiple plans at once.

Ben Commencement Age/Date

Many aspects of a calculation depend on when benefits begin. You specify that information on this page.

Plan NRD (plan normal retirement date), **Plan ERD** (plan early retirement date), or **Other**

Select the plan NRD, ERD, or other option, as defined in the plan rules.

Age(YY.MM), Date and **Date Alias**

Specify the benefit commencement age and date (or date alias) for calculating benefits from a plan.

Lump Sum Age/Date

If your plan rules reference a lump sum date that is different from the benefit commencement date, use this group box.

For a group calculation, you usually select the Plan NRD or Plan ERD option, because these are determined for each individual employee. If you enter an actual date, this causes different employees in the group to commence benefits at different ages, at which they might not be eligible to receive benefits. For a lump sum, enter an age instead of a date, for the same reason.

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Overrides

Certain plans offer an automatic joint and survivor benefit to qualified spouses—that is, a joint and survivor benefit that does not require an actuarial adjustment to an employee's benefit. If you provide this benefit, you establish the eligibility criteria in your plan rules. For example, perhaps the employee and spouse must be married for a full year before being eligible for this benefit.

Surviving Spouse Eligibility — Override the eligibility criteria by selecting the appropriate option:

N - Override to Ineligible.

Y - Override to Eligible.

Beneficiary Birthdate and **Beneficiary Gender** — If the employee has a non-spouse beneficiary on record, you can override information about the beneficiary in these fields. Since this information depends on data for an individual, do not use these fields for group calculations.

Assumed Contributions Pct (assumed contributions percentage) — To calculate possible future contributions, enter a percentage. When the calculation projects contributions, the system applies this percentage to projected earnings to arrive at future contribution amounts.

Use Function Overrides — Select to enter overrides for a plan. Enter the actual overrides on the Function Overrides page.

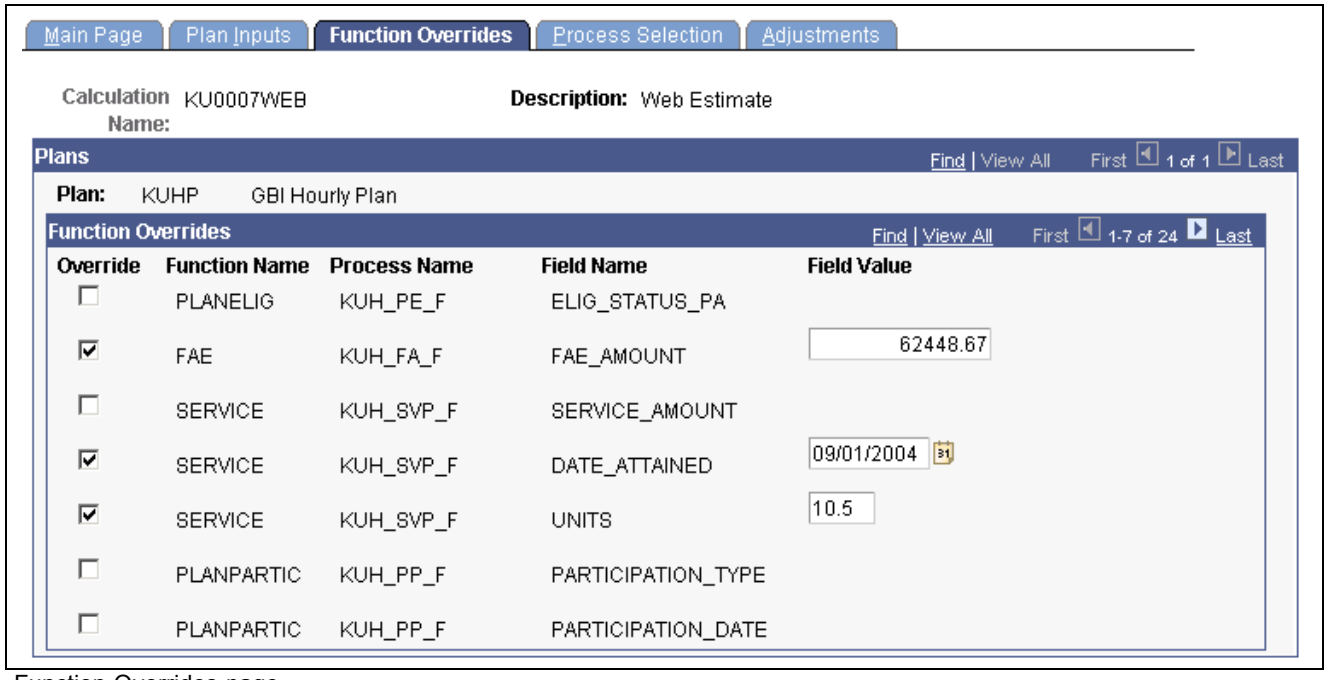
Use Process Selection — Select to indicate processes to run on the Process Selection page.

Use Adjustments — Select to enter adjustments for a plan. Enter the actual overrides on the Adjustments page.

See Chapter 46, "Calculating Pension Benefits," Isolating Individual Calculation Components, page 421.

Entering Override Values

Access the Function Overrides page.



Function Overrides page

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Override If you select the Use Function Overrides check box on the Plan Inputs page, select the Override check box for each value to override.

Function Name Displays the pension function that controls the processing.

Process Name Displays the name your organization assigned to the process (the function result name).

Field Name and **Field Value** Field Name displays the fields to override. Enter the override value in the Field Value field.

Subsequent processes in the job flow use this override value instead of the calculated value. For example, if you override a final average earnings value, the benefit formula uses the earnings amount that you enter, rather than actual earnings data.

Many functions have only a single value. For example, the final average earnings and vesting functions both produce a single result. Conversely, some functions produce multiple (or compound) values. For example, the service function produces service amount, service units (years or months), and date attained.

Although you do not have to enter overrides for all of the values, enter overrides for values that are necessary for the calculation. For example, there's no need to enter 10 fields of intermediate information for social security results, but enter the PIA_AMT_ADJ, which is the final adjusted social security benefit.

If you enter overrides for the benefit amount (shown on the page as BENCALC), enter overrides for all four of the benefit amount fields:

- Amount
- Form code
- Payment frequency
- Automatic spousal benefit

The first three fields are required for optional forms conversions. The automatic spousal benefit override default is zero.

Note. If you enter an override for one of a function result's values, that function result produces only the result that you enter. Therefore, there are no detailed results.

Pension Administration produces a benefit amount through a series of processes that build upon each other. Normally, each process produces a result according to rules that you set up. Instead, however, you can bypass the calculation process and enter override values for calculation components. Use the Function Overrides page to enter these override values.

As an example of when you might use overrides, suppose a terminated vested employee remarries before beginning to receive payments. Because the new spouse has a different birth date from the previous spouse, the joint and survivor factors must be recalculated. Instead of running a new calculation from the beginning, use the original benefit amount as an override. This way, you can recalculate optional forms factors while ensuring that the normal benefit amount is the same as the amount that you calculated at the time of termination.

Overrides also enable you to set up what-if scenarios by manipulating a portion of the calculation.

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Using Overrides

Consider the following when working with overrides:

- Do not enter overrides for the plan eligibility function. This prevents the system from producing the timeline of eligible and ineligible periods that might be needed for other processes. If you know that your plan rules do not reference this timeline, you can skip eligibility processing.
- Valid participation overrides are *Y* (yes) and *N* (no).
- When you enter a vesting override, use a percentage rather than a factor. For example, if an employee is 60 percent vested, enter *60*—not *0.6*.
- The social security function has 10 result fields, all of which appear in the overrides section. Enter just a final social security amount in the PIA_AMT_ADJ field.
- Enter early and late retirement adjustments as adjustment factors—not adjustment amounts. For example, if an employee's benefit is to be reduced by 20 percent, the factor is 0.8. If an employee's benefit is to be increased by 5 percent, the factor is 1.05.
- Enter death coverage factors as adjustment factors—not adjustment amounts. For example, if an employee's benefit is to be reduced by 2 percent, the factor is 0.98.

Reviewing Examples of Overrides

Use the following table to understand appropriate values for the override fields:

Function	Field	Description	Example
Plan eligibility (PLANELIG)	ELIG_STATUS_PA	Eligibility status.	Do not enter overrides.
Participation (PLANPARTIC)	PARTICIPATION_TYPE	Participation status.	Y (participating) N (not participating)
	PARTICIPATION_DATE	Participation date.	01/31/1999
Service (SERVICE)	SERVICE_AMOUNT	Service amount.	10.50
	DATE_ATTAINED	Date on which the service amount is attained.	12/31/1999
	UNITS	Service units.	Y (years) M (months)
Vesting (VESTING)	VESTING_PERCENT	Vesting percentage.	80

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Function	Field	Description	Example
Plan eligibility (BENELIG)	BEN_ELIG_STATUS	Benefit eligibility status.	Y
Final average earnings (FAE)	FAE_AMOUNT	Final average earnings amount.	54321.89
Cash balance accounts (CASHBAL)	ACCUM_AMT	Cash balance value as of event date. If you use an override, the system does not produce the secondary aliases that provide the value at other dates.	158674.47
Employee accounts (EMPLACCTS)	ACCUM_AMT	Employee account value as of the beneficiary date.	10543.89
Social security (SOCSEC)	PIA_AMT	Unadjusted primary insurance amount (PIA).	861.40
	PIA_AMT_ADJ	Adjusted PIA—adjusted for early or late commencement. This is the final result for social security.	861.40
	SOC_SEC_AGE	Social security normal retirement age. Enter partial ages as decimals.	65.333333
	SOC_SEC_BCD	Social security benefit commencement date.	65
	INDEX_YR	Social security indexing year (two years before the eligibility year).	1999
	ELIG_YR	Social security eligibility year (the year an employee attains age 62 or the year of death or disability).	2001

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Function	Field	Description	Example
	AIME	Average indexed monthly earnings.	1920.00
	AVGWAGES_INDEX_YR	National average wage for the index year.	23132.67
	BIRTHDATE	Employee's birth date.	12/01/1939
	COMPUTATION_YRS	Number of years of earnings history used in the social security computation.	35
Covered compensation (COVRDCOMP)	COMP_AMT	Covered compensation amounts.	3500
Early and late retirement factors (AGEADJUST)	ADJ_FACTOR	Adjustment factor.	0.8
	PRD_OF_ADJ	Number of periods (months or years) used to arrive at the factor.	4
Death coverage factors (DEATHCVRG)	ADJ_FACTOR	Final death coverage adjustment factor.	0.98
	NUM_PRD	Number of periods (months or years) used to arrive at the factor.	10
Benefit formula (BENCALC)	BEN_AMT	Dollar amount of the employee's benefit in the plan's normal form of payment.	3404.32
	PYMT_FREQ	Payment frequency of the normal form of the benefit. (Valid values appear on the Benefit Formula - Normal Form of Payment page.	M (monthly)

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Function	Field	Description	Example
	FORM_CODE	Optional form code. (Form codes appear on the Benefit Formula - Normal Form of Payment page).	LIFE
	AUTO_AMT	Dollar amount of the benefit automatically available to an eligible spouse, regardless of the employee's optional form selection.	25
Employee-paid benefit (CONTSBEN)	ACCT_BAL_EVENT	Account balance as of the event date.	10543.89
	ACCT_BAL_DOD	Account balance at the date of determination.	13276.18
	ACCT_BAL_NRD	Account balance as of the normal retirement date.	13276.18
	EE_BEN_AMT	Annuity value of the employee account at the normal retirement date. This is the final result for the employee-paid benefit function.	55.317417
	INT_RT_1	Interest rate used to project from the event date to the date of determination.	5
	INT_RT_2	Interest rate used to project from the date of determination to the normal retirement date.	5
	FACTOR	Factor used to convert the balance as of the normal retirement date to annuity.	0.004167
	DT_OF_DET	Date of the determination.	12/31/1998

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Function	Field	Description	Example
Optional forms of payment (OPTFORMS)	No overrides available.	N/A	N/A
415 limits (LIMIT415)	No overrides available.	N/A	N/A

Note. When you apply 401(a)(17) limits (or other limits) to final average earnings or cash balance accounts, a regular calculation also produces secondary values with the unlimited FAE and cash balance amounts. You normally access these values through function result aliases. When you use overrides, the system does not calculate these secondary values.

See Also

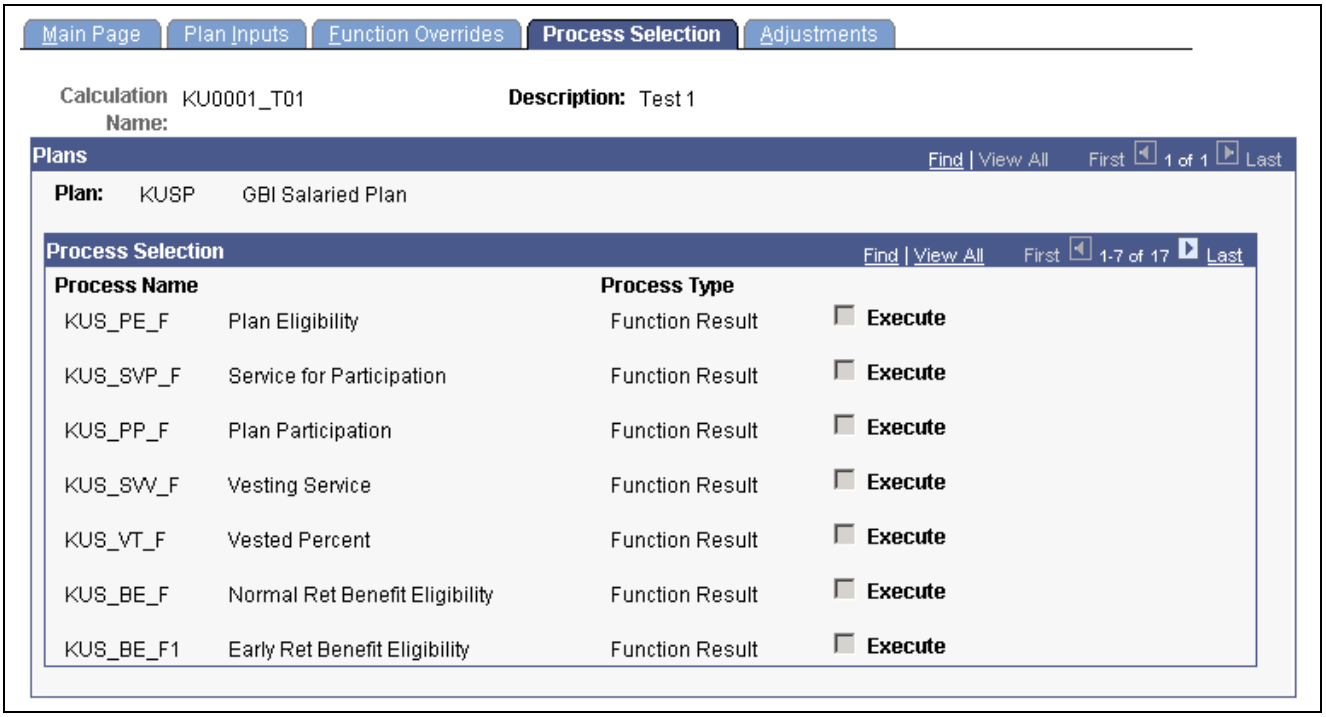
Chapter 25, "Defining Benefit Formulas," page 201

Chapter 47, "Viewing Calculation Results," Viewing Social Security Results, page 448

Chapter 33, "Using Function Result and Actuarial Factor Aliases," page 289

Isolating Individual Calculation Components

Access the Process Selection page.



Process Selection page

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Note. The processes listed on this page are brought in when you identify a plan and an as of date on the Define Calculation - Main Page.

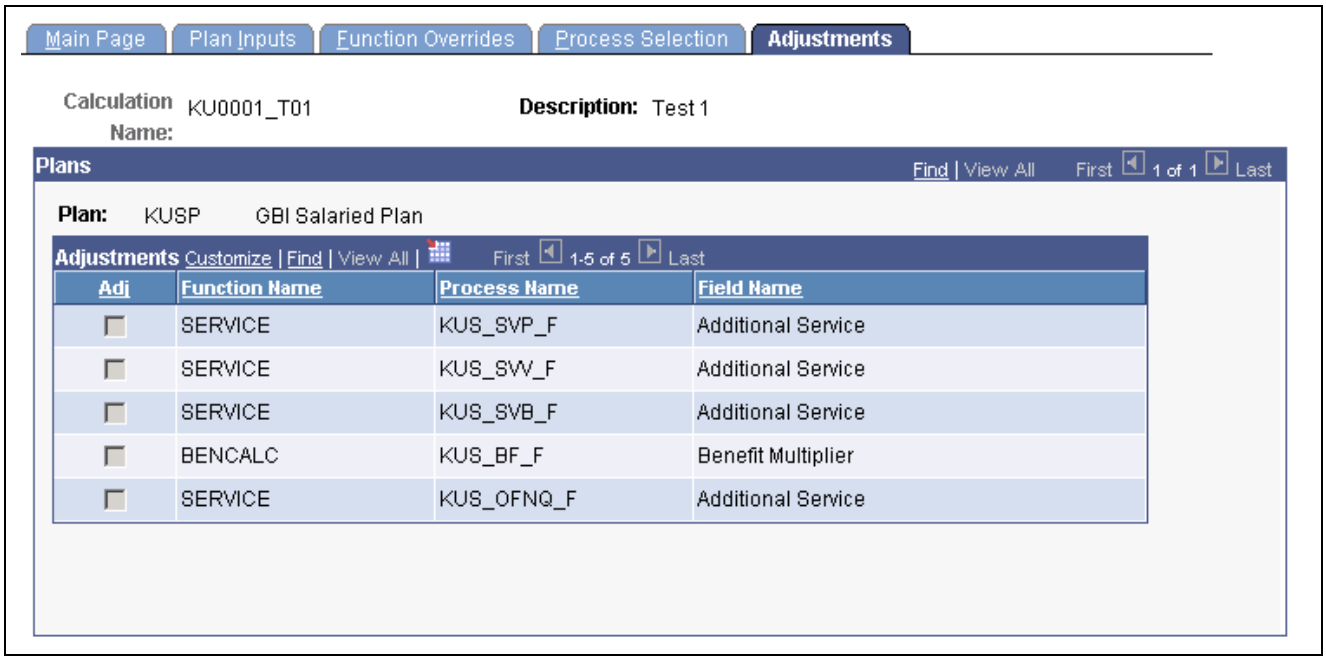
Process Name Displays the name that your organization assigned to the process (the function result name).

Process Type Indicates how your organization defines the processing rules; disregard this field.

Execute If you select the Use Process Selection check box on the Define Calculation - Plan Inputs page, select the Execute check box for each process to run. If you select a process that depends on values obtained from previous processes, either run those processes or enter overrides for them.

Adjusting Amounts for Individual Components

Access the Adjustments page.



Adjustments page

Adj (adjustment) Select this check box for each function that you need to adjust.

Function Name The name of a pension function—for example, *BENCALC* for the benefit formula function.

Process Name The name your organization has assigned to a process (the function result name).

Field Name The name of a value that you can adjust.

Field Value Enter the adjustment amount in the text box.

Reviewing Examples of Adjustments

Use the following table to understand the appropriate values for the adjustment fields:

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Function	Field	Description	Example
Service (SERVICE)	SERVICE_AMOUNT	Adjustment is added to the calculated service amount for the specified function result before the service minimum and maximum are applied.	10.50
Benefit formula (BENCALC)	BEN_AMT	Multiplier is applied to the dollar amount of the employee's benefit in the plan's normal form of payment for the specified function result.	2

Running Calculations

This section provides an overview of Process Scheduler, lists the page used to run calculations, and discusses how to enter the calculation name.

Understanding Process Scheduler

Process Scheduler manages all PeopleSoft processes. To access Process Scheduler, you need a run control ID, which provides Process Scheduler with information about the process. In the case of pension calculations, it provides the calculation name, which is the key to the rest of the parameters. The run control ID also provides generic processing parameters, such as when to run the process and whether to run the process on the client or the server.

For most processes, you access a search page with a run control ID. Pension calculations are somewhat different. Because you save the calculation parameters in the system, you identify calculations by a calculation name rather than by the run control ID used to process the calculation. Therefore, you enter run control IDs on the first parameter page, not on the search page.

See Also

Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler

Page Used to Run Calculations

Page Name	Object Name	Navigation	Usage
Calculate Pension	PA_CALCULATION_RUN	Pension, Calculations, Request Calculation, Calculate Pension	Enter the calculation name to run the Report Manager, Process Monitor, and Run Processes pages.

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Entering the Calculation Name

Access the Calculate Pension page.



Calculate Pension page

Calculation Name If you access this page from the Calculate Pension component, the default is the calculation name from the Calculate Pension component.

Accessing Calculation Results

When a calculation finishes and you refresh the Main Page, *Results Exist* appears. You have two options for viewing your calculation results: online pages or a calculation report.

To view the results online on the Calculation Summary page:

- Select Pension, Review Calculations, Review Main Results.
- Click the View Results button on the Main Page.

To generate a calculation worksheet report:

- Select Pension, Calculations, Create Worksheet, Calculation Worksheet.
- Click the Run Report button on the Main Page.

See Also

Chapter 46, "Calculating Pension Benefits," Setting Up Employee Information and Processing Parameters, page 408

Chapter 47, "Viewing Calculation Results," page 431

Appendix A, "Pension Administration Reports," page 643

Viewing Calculation Messages

This section lists the page used to view calculation messages and discusses how to view calculation messages.

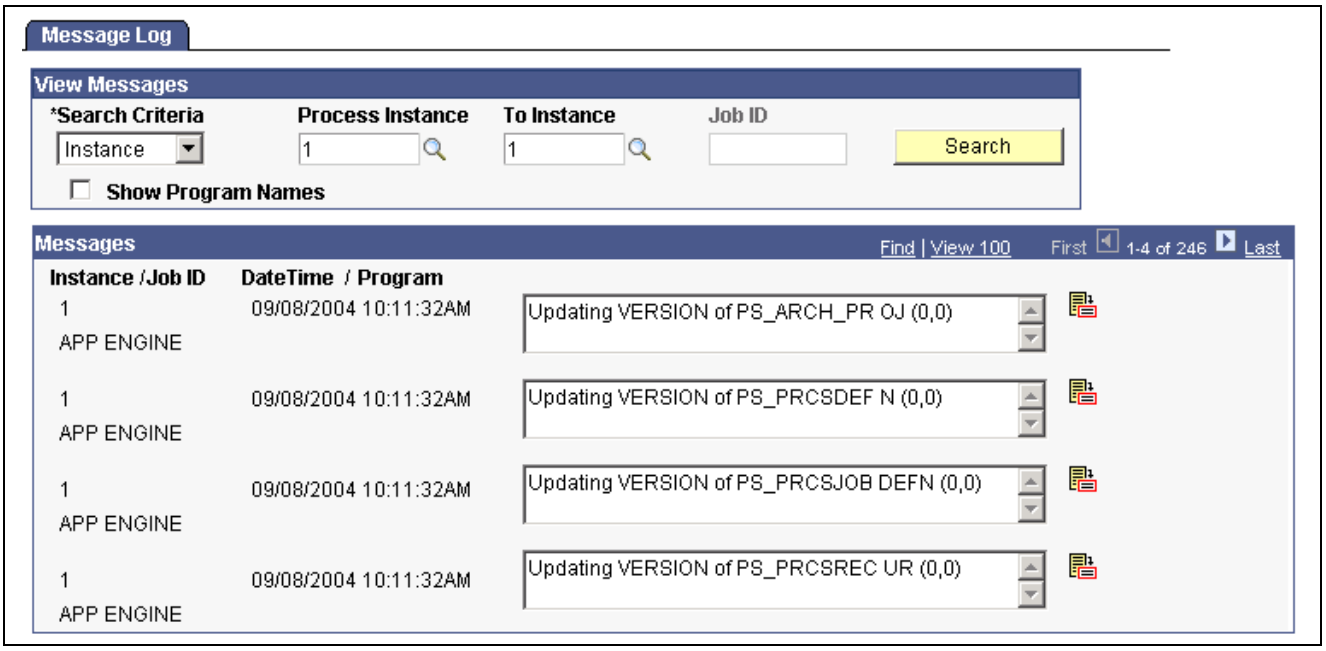
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Page Used to View Calculation Messages

Page Name	Object Name	Navigation	Usage
Message Log	PA_MESSAGE_LOG	Pension, Calculations, Review Processing Messages, Message Log	View warnings or errors generated during the calculation (or during periodic processing).

Viewing Calculation Messages

Access the Message Log page.



Message Log page

Search Criteria To view messages from a calculation, select *Instance.* Look up the instance associated with a calculation on the Calculation Summary page or Calculation Recap page.

Process Instance and **To Instance** After you find the instance, enter it in these fields.

Search Click the Search button to display the processing errors in the Messages group box.

Show Program Names If you select the Show Program Name check box, the following fields appear: *Instance, Job ID, DateTime,* and *Program Name.*

Instance, Job ID, DateTime, and **Program Name** These fields identify where the error occurred.

Each row also includes the error message. The calculation name, employee ID, and plan appear at the end of the message.

 Click the More button next to the message to view additional explanatory text.

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See Also

Chapter 45, “Running Periodic Processes,” Viewing Processing Errors, page 402

Reviewing Processing Results

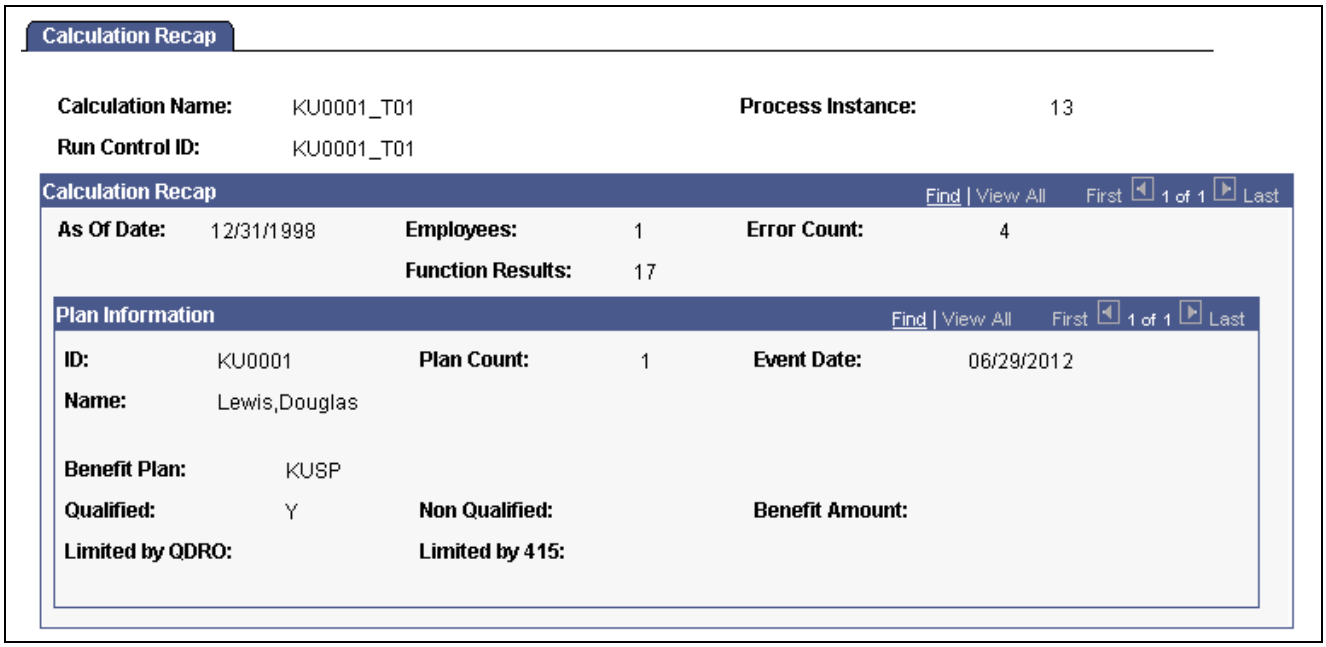
This section lists the page used to review processing results and discusses how to review processing results.

Page Used to Review Processing Results

Page Name	Object Name	Navigation	Usage
Calculation Recap	PA_SUMMARY_STAT	Pension, Calculations, Review Calculations, Calculation Recap	Review the processing results after you run a calculation.

Reviewing Processing Results

Access the Calculation Recap page.



Calculation Recap page

Calculation Name, Run Control ID, and **Process Instance** — Identify the calculation. You must know the process instance to review messages (errors or warnings) generated during processing.

As Of Date — Displays the as of date from your calculation.

Employees — Displays the number of employees who are included in the calculation.

Function Results — Displays the number of function results that are processed.

Plan Count — Displays the number of plans that you ran for the listed employee.

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Event Date Displays the event date from your calculation.

Benefit Amount Disregard this field.

Protecting a Calculation

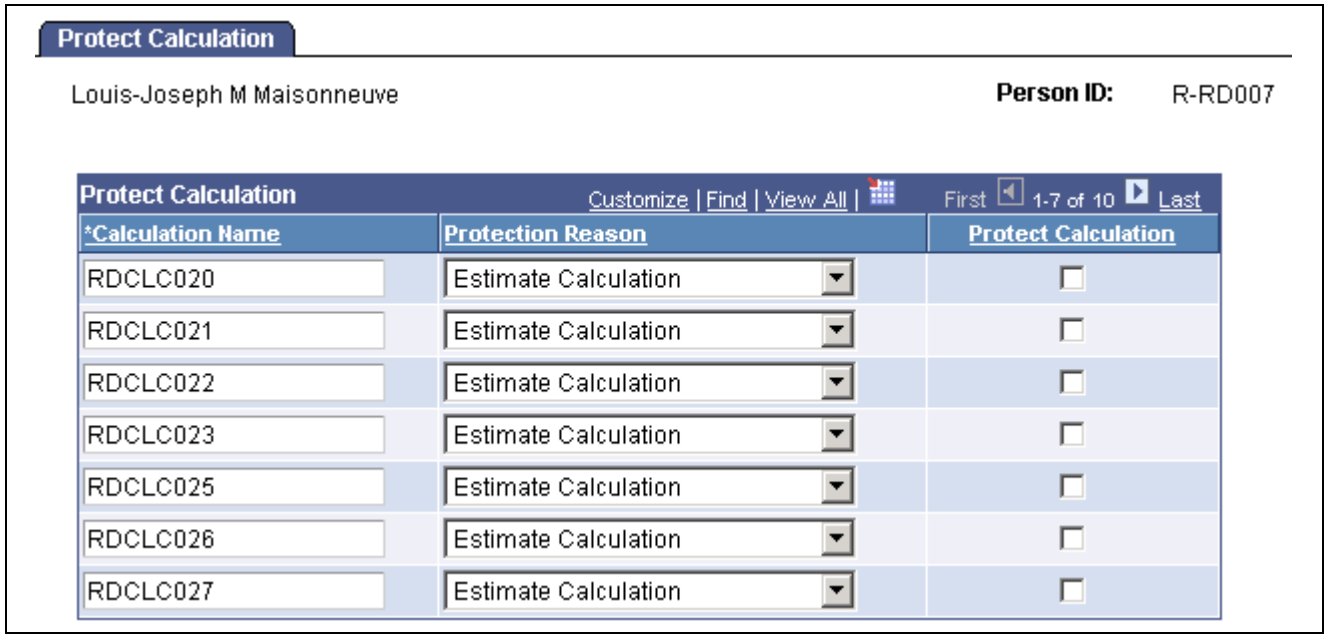
This section lists the page used to protect a calculation and discusses how to protect a calculation.

Page Used to Protect a Calculation

Page Name	Object Name	Navigation	Usage
Protect Calculation	PA_CLC_PROTECT	Pension, Calculations, Protect Calculations, Protect Calculation	Protect a calculation from deletion or modification.

Protecting a Calculation

Access the Protect Calculation page.



Protect Calculation page

Protect Calculation Select to protect a calculation.

Protection Reason Initially, all calculations are labeled *Estimate Calculation* and are not protected. Select a reason: *Final Calculation, Final Calculation Candidate, QDRO Recipient Candidate, Related Primary Calculation* (for example, a calculation that establishes a minimum benefit), or *Other.*

Because you can quickly accumulate huge amounts of calculation information, it's important to regularly delete calculations that you no longer need. Periodic processing includes a deletion process for this purpose.

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Because of this regular deletion process, you must take measures to protect calculations that you do need. These include estimates that you provide to employees, final calculations, or calculations used in a divorce settlement to establish the amount granted to a former spouse.

Protecting a calculation prevents someone from deleting the results, modifying the calculation parameters, or rerunning the calculation.

Running QDRO Calculations

When a former spouse gains a share in an employee's pension benefit through a QDRO, the former spouse (the QDRO alternate payee) becomes a plan participant and receives an employee ID for the plan.

On the QDRO Process page, enter the dollar amount due to the alternate payee. However, if the alternate payee decides to begin collecting the pension payment at a time other than when the original employee reaches the plan's normal retirement age, you might need to apply early or late retirement factors to the benefit.

Furthermore, the QDRO alternate payee is often entitled to many of the same optional forms that employees might choose (with the notable exception of joint and survivor options that provide a benefit to a new spouse). When you use Pension Administration to schedule payments to the QDRO alternate payee, you reference the optional forms produced in the QDRO calculation.

To calculate early and late retirement factors and optional forms, run a calculation under the QDRO alternate payee's employee ID.

When you do this, use the Process Selection page to limit the calculation, so that you only run the following factors:

- Early and late retirement factors.
- Alternate payee's benefit formula, which typically just uses the QDRO amount that you enter on the QDRO Process page.
- Optional forms of payment, based on the alternate payee's benefit.

  This is important, because you do not want the system to try to calculate eligibility, service, final average earnings, or other plan components that are not applicable to an alternate payee.

Note. For QDRO calculations, use the Process Selection page to restrict a calculation to only relevant functions, typically these: early and late retirement factors, benefit formula, and optional forms of payment. Alternatively, if your plan rules are set up so that QDRO alternate employees are eligible for the plan, and if the rules prevent all other calculation components from processing QDRO alternate payees, you do not have to make a manual process selection for each calculation.

See Also

Chapter 46, "Calculating Pension Benefits," Isolating Individual Calculation Components, page 421

Chapter 57, "Administering QDROs," page 619

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Calculating Social Security

Even if your plans do not incorporate social security integration, you might provide your employees with social security estimates to use during retirement counseling.

If your organization defines social security calculation rules, either embedded in an actual plan or in a dummy plan for this explicit purpose, you can produce these estimates. Include the social security plan when setting up your calculation parameters. Social security results are available through the same pages and reports that provide the rest of the calculation results.

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CHAPTER 47

Viewing Calculation Results

This chapter provides an overview of calculation results and discusses how to:

- View the calculation results pages.
- View detailed plan results.
- Activate the Application Trace.

Understanding Calculation Results

A benefit calculation consists of a series of pension processes that together produce a benefit in all of its optional forms of payment. In addition to this end result, each component process generates its own results, which are frequently of interest to the participant and the plan administrator.

You use the Review Main Results (CALCULATION_SUM) component to view summary information for a participant and a calculation. The Calculation Summary page provides links that transfer you directly to the other calculation results pages.

The Review Main Results component contains three pages, which display calculation information that is not specific to a plan.

On the Review Main Results search page, the calculation results are keyed by the calculation name and EmplID. You must provide both values because you can run a calculation for multiple participants.

Note. When you use the Review Main Results component to access the calculation results pages, the system takes awhile to load the information. All the pages are in a single component, and the system receives the data for all pages when you first enter the component. However, after the component opens, you can quickly navigate among pages.

When you use the Individual Results component to access the detailed pages, each page loads separately when you access it. Instead of one long wait for all the pages, you experience a short wait each time you access a page.

There are links on the Calculation Summary page that transfer you to the plan-specific pages. These links access the pages in the Individual Results component.

The 17 plan-specific pages provide detailed information about the calculation parameters and the plan results. One page displays the calculation inputs, another displays beneficiary information, and the other 15 pages correspond to 15 of the system's 16 core calculation functions.

Note. The other core calculation function, 415 limits, is not plan-specific. Therefore, it appears in the Review Main Results component.

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When you access the plan-specific results, you narrow the search by entering a plan name.

When you view the plan-specific pages, the amount of detail displayed depends on whether you select the detailed results option on the calculation page.

See Also

Chapter 47, "Viewing Calculation Results," Viewing Detailed Plan Results, page 436

Viewing the Calculation Results Pages

This section lists the pages used to view calculation results and discusses how to:

- View calculation summary information.
- View 415 processing results.
- View action and reason history information.

Pages Used to View Calculation Results

Page Name	Object Name	Navigation	Usage
Calculation Summary	PA_CALCULATION_SUM	Pension, Review Calculations, Review Main Results, Calculation Summary	• View information about a calculation and personal data about a participant. • Access the detailed calculation results pages.
415 Limits	PA_CLC_415_SUM	Pension, Review Calculations, Review Main Results, 415 Limits	View results produced by 415 processing. **Note.** The Internal Revenue Code Section 415 limits are applied to a participant's combined pension benefits from all plans.
Action/Reason History	PA_CLC_EMP_SUM	Pension, Review Calculations, Review Main Results, Action/Reason History	View participant information that might affect a calculation.

Viewing Calculation Summary Information

Access the Calculation Summary page.

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Calculation Summary page

Executed Displays the date and time of the calculation.

Instance Displays the instance assigned by the Process Scheduler when the calculation ran.

Note. Use the instance to access calculation error messages on the Message Log page.

ID Identifies the participant whose results you are viewing. Although a calculation can process more than one participant, you can view results for only one participant at a time.

Benefit Plan Select the plan to view.

Event Date and **Reason** Display the termination information entered for the calculation.

Marital Status, Spouse Name, Gender, Spouse Birthdate, and **Date of Birth** If you entered overrides for a participant or spouse birth date, those overrides appear on this page with the notation *override value.*

View The links in this group box take you to the detailed results pages for the plan you select.

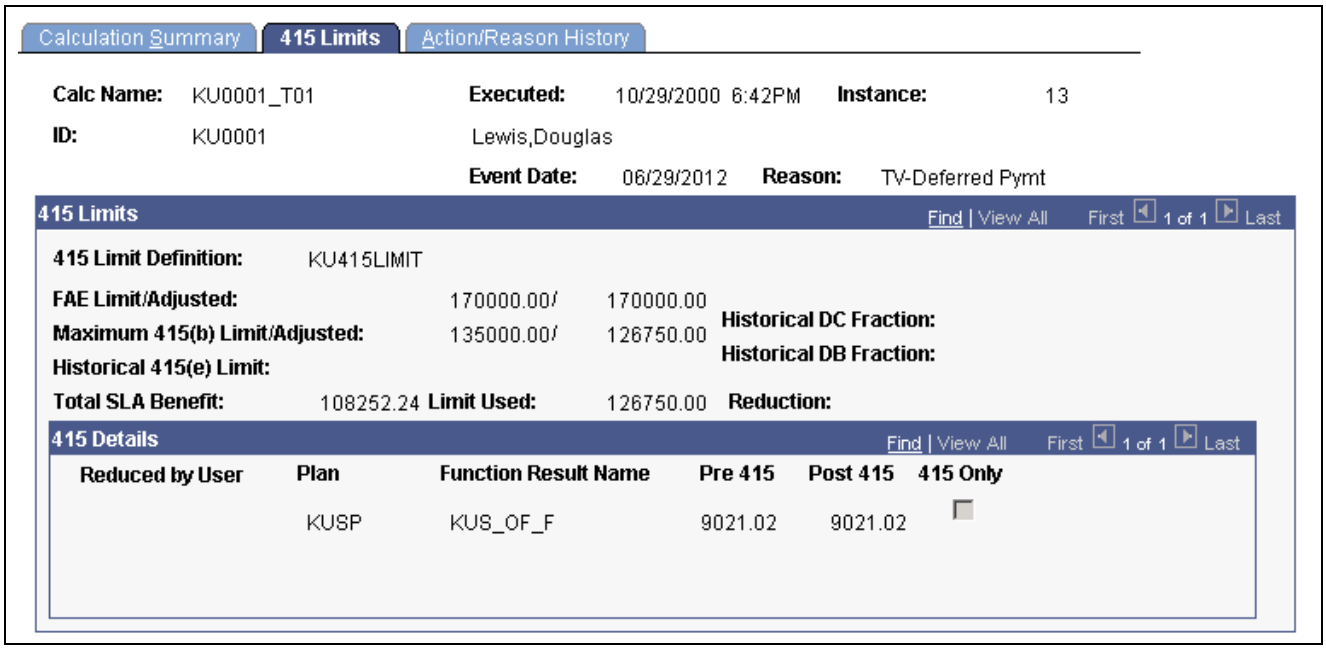
When you click a link, the system opens another instance of the pension menu (except for 415 Limits and Action/Reason History). Take care not open too many menus. Either close new menus when you finish, or, after you open the new menu, click the page tabs to move around in the component.

Note. You can also access the detailed results pages in the Individual Results component.

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Viewing 415 Processing Results

Access the 415 Limits page.



415 Limits page

415 Limits

415 Limit Definition

Displays the name of the 415 processing rules.

The actual 415 limit is the smallest of three separately calculated amounts in the following fields: FAE Limit/Adjusted, Maximum 415(b) Limit/Adjusted, or 415(e) Limit.

FAE Limit/Adjusted (final average earnings limit and adjusted final average earnings limit)

Displays the FAE limit, which is 100 percent of a participant's high three consecutive years' average earnings. This can be adjusted for short service. The page displays both the unadjusted and adjusted amounts.

Maximum 415(b) Limit/Adjusted

Displays the maximum 415(b) limit, a dollar amount published annually by the Internal Revenue Service (IRS). This can be adjusted for commencement date and for short service. The page displays both the unadjusted and adjusted amounts.

Historical 415(e) Limit, Historical DC Fraction (defined contribution fraction), and **Historical DB Fraction** (defined benefit fraction)

Displays the 415(e) limit, an amount based on the relative values of the participant's defined contribution (DC) fraction and defined benefit (DB) fraction. These are values calculated according to IRS rules. This information is present only if defined contribution information was available for the participant.

Total SLA Benefit (total single life annuity benefit)

Displays a participant's total annual pension benefit from all plans expressed as a single life annuity (SLA). If this is less than the amount in the Limit Used field, the benefit was not reduced.

Limit Used

Displays the lowest of the three possible limits. This is the limit that actually applies.

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Reduction If the total SLA benefit is higher, then this field displays the difference between the two.

415 Details

This group box lists all the benefits that are subject to 415 limits.

Reduced by User This field displays the method used to reduce the benefit, if necessary. If the field label is *Reduced by User,* then the plans were reduced in a specific order. That is, the entire reduction was taken from the first benefit, and if that benefit was reduced to zero, any remaining reduction was taken from the next benefit, and so on.

Function Result Name Displays the name that your organization assigned to the specific benefit in the plan.

Pre 415 Displays the SLA amount of the benefit before limits were applied.

Post 415 Displays the reduced benefit after limits are applied. The Pre 415 and Post 415 values are the same when the combined benefit does not exceed the limit.

415 Only If this check box is selected, then the plan does not actually offer a single life annuity and you should not quote the displayed SLA amount to participants except to explain the 415 limits reduction.

See Also

Chapter 28, "Applying Section 415 Limits," page 235

Viewing Action and Reason History Information

Access the Action/Reason History page.



Action/Reason History page

Action / Reason

A calculation builds a pension-specific history of each action and the associated reason in a participant's job history. Not all events in the participant's career appear on the Action/Reason History page, only those specified as relevant to your pension rules.

Typically, service is the only calculation function impacted by action and reason codes. Although the consolidations functions also use these codes, consolidations do not run as part of the calculation, only as part of periodic processing.

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Short Name Displays the history of a worker's changing types: *Hourly, Salaried, Exception Hourly.*

Viewing Detailed Plan Results

This section provides an overview of viewing detailed plan results lists the pages used to view detailed plan results, and discusses how to view:

- Processing input information.
- Benefit calculation results.
- Optional forms results.
- Service results.
- Final average earnings results.
- Vesting results.
- Death coverage results.
- Covered compensation results.
- Social security results.
- Cash balance results.
- Employee account results.
- Employee-paid benefit results.
- Plan Eligibility results.
- Plan participation results.
- Benefit eligibility results.
- Beneficiary information.

Understanding Detailed Plan Results

The detailed plan results display both the final benefit and the components used to determine the final benefit.

Note. The final benefit is not adjusted for 415 limits across multiple plans.

You can access all the detailed plan results in the Review Calculation Results component, or access individual results in the Individual Results component.

Note. Depending on which navigation path you use, the page name may appear different, although the Object Name will be the same. The graphics in this section navigate through the Review Calculation Results component.

Although the detailed plan results pages display results from all of the calculation functions (except 415 limits), your plan might not use all the functions. Therefore, you may not see results on every page.

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Pages Used to View Detailed Plan Results

Page Name	Object Name	Navigation	Usage
Inputs	PA_CLC_INPT_SUM	Pension, Review Calculations, Review Calculation Results, Inputs	View information that you entered when processing a calculation.
Benefit Calculation	PA_CLC_CLC_SUM	Pension, Review Calculations, Review Calculation Results, Benefit Calculation	View results from the benefit formula function, which produces the normal form of a benefit.
Optional Forms	PA_CLC_OFRM_SUM	Pension, Review Calculations, Review Calculation Results, Optional Forms	View results from the optional forms of payment function, which converts the normal form of a benefit into all the optional forms that the plan offers.
Service	PA_CLC_SVC_SUM	Pension, Review Calculations, Review Calculation Results, Service Results	View results from the service function, which provides a final service amount.
Final Average Earnings	PA_CLC_FAE_SUM	Pension, Review Calculations, Review Calculation Results, Final Average Earnings	View results from the final average earnings function, which provides an amount calculated according to the plan's averaging rules.
Vesting	PA_CLC_VST_SUM	Pension, Review Calculations, Review Calculation Results, Vesting	View results from the vesting function, which provides a participant's vesting percentage.
Age Adjustment Factors	PA_CLC_AGE_SUM	Pension, Review Calculations, Review Calculation Results, Age Adjustment Factors	View results from the early and late retirement factors function, which produces a factor used to adjust a benefit when a participant retires before or after the normal retirement date.
Death Coverage Factors	PA_CLC_DTH_SUM	Pension, Review Calculations, Review Calculation Results, Death Coverage Factors	View results from the Death Coverage function, which produces a factor used to reduce a benefit when a participant elects optional death coverage.

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Page Name	Object Name	Navigation	Usage
Covered Compensation	PA_CLC_CMP_SUM	Pension, Review Calculations, Review Calculation Results, Covered Compensation	View results from the covered compensation function, which calculates covered compensation for a participant by averaging the taxable wage base for the 35 years up to and including the year in which the participant reaches social security retirement age.
Social Security	PA_CLC_SOC_SUM	Pension, Review Calculations, Review Calculation Results, Social Security	View results from the social security function, which estimates a participant's social security primary insurance amount (PIA).
Cash Balance Account	PA_CLC_CASH_SUM	Pension, Review Calculations, Review Calculation Results, Cash Account Balance	View results from the cash balance accounts function, which provides a participant's periodic accumulation and final balance under a cash balance plan.
Employee Account	PA_CLC_ACCT_SUM	Pension, Review Calculations, Review Calculation Results, Employee Account	View results from the employee accounts function, which tracks the accumulation of contributions and interest for a participant in a contributory plan.
Employee Paid Benefit	PA_CLC_CONT_SUM	Pension, Review Calculations, Review Calculation Results, Employee Paid Benefit	View results from the employee-paid benefit function, which determines what portion of a total benefit, expressed in its normal form, is attributable to participant contributions.
Plan Eligibility	PA_CLC_PEL_SUM	Pension, Review Calculations, Review Calculation Results, Plan Eligibility	View results from the plan eligibility function, which determines whether a participant is eligible to participate in a plan.
Plan Participation	PA_CLC_PRT_SUM	Pension, Review Calculations, Review Calculation Results, Plan Participation	View results from the participation function, which determines whether a participant meets plan participation requirements.

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Page Name	Object Name	Navigation	Usage
Benefit Eligibility	PA_CLC_BEL_SUM	Pension, Review Calculations, Review Calculation Results, Benefit Eligibility	View results from the retirement eligibility function, which identifies whether a participant is eligible for a retirement type.
Beneficiary Info (beneficiary information)	PA_CLC_BENEF_SUM	Pension, Review Calculations, Review Calculation Results, Beneficiary Information	View beneficiary data used in calculating a participant's benefit.

Viewing Processing Input Information

Access the Inputs page.



Inputs page

Benefit Commencement Date, Benefit Commencement Age/YY.MM, Lump Sum Date, and **Lump Sum Age(YY.MM)**

A message indicates whether these dates are based on the normal retirement date, early retirement date, or a user specified date.

The remaining fields display inputs used for projecting payroll information and social security tables.

Assumed Earnings Amount and **Assumed Hours Amount**

Displays the amounts used to determine the current period earnings and hours amounts for certain types of projection methods. The plan rules specify either that this amount replaces the entire period, or that it is prorated and used only for the incomplete portion of the current period.

Assumed Contributions Percent

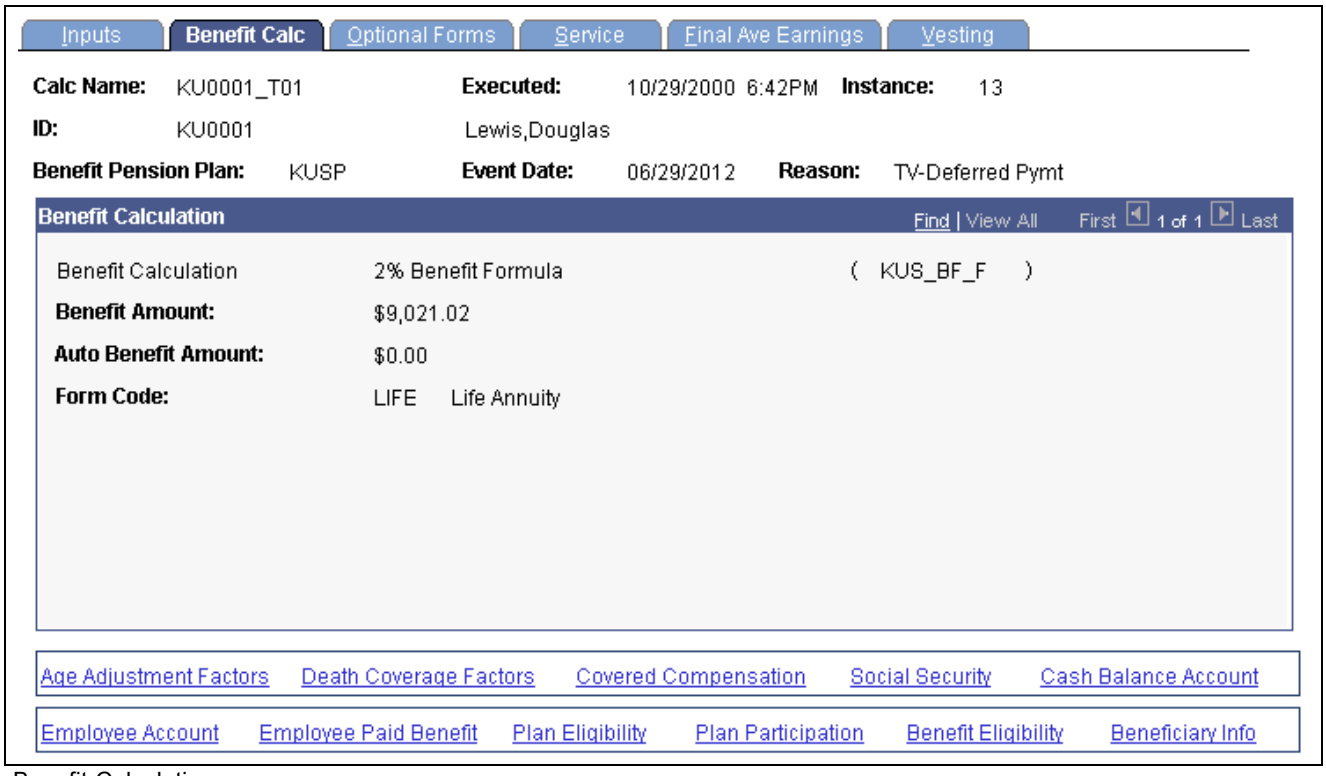
Displays the percentage of projected earnings used to estimate future contributions.

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Wage Base Escalation Rate	Displays the assumed rate of increase in the taxable wage base.
Assumed Salary Scale Percent Increase	Displays the assumed rate of salary increase.
Grant Full Service Credit	Indicates whether you assumed that service forfeited due to a withdrawal of contributions would be fully restored: *Y* (yes): Service is restored. *N* (no): Service is not restored.
Assumed CPI Percent Increase (assumed consumer price index percent increase)	Displays the assumed rate of increase in the CPI-W, the consumer price index (CPI) for urban wage earners and clerical workers. This table is used for social security general benefit increases.
Surviving Spouse Eligibility	Indicates overrides to your plan's determination of whether a participant's spouse is eligible for an automatic joint and survivor benefit, paid for by the plan with no actuarial reduction to the participant's benefit. Typical eligibility criteria might be that a participant and spouse be married for a year.
Beneficiary Birthdate and **Beneficiary Gender**	Display overrides for non-spouse beneficiary data.

Viewing Benefit Calculation Results

Access the Benefit Calculation page.



Benefit Calculation page

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Note. Typically a plan has multiple benefit formulas, such as the normal retirement benefit, the normal retirement benefit offset by any Qualified Domestic Relations Order (QDRO) amount, and the early retirement benefit.

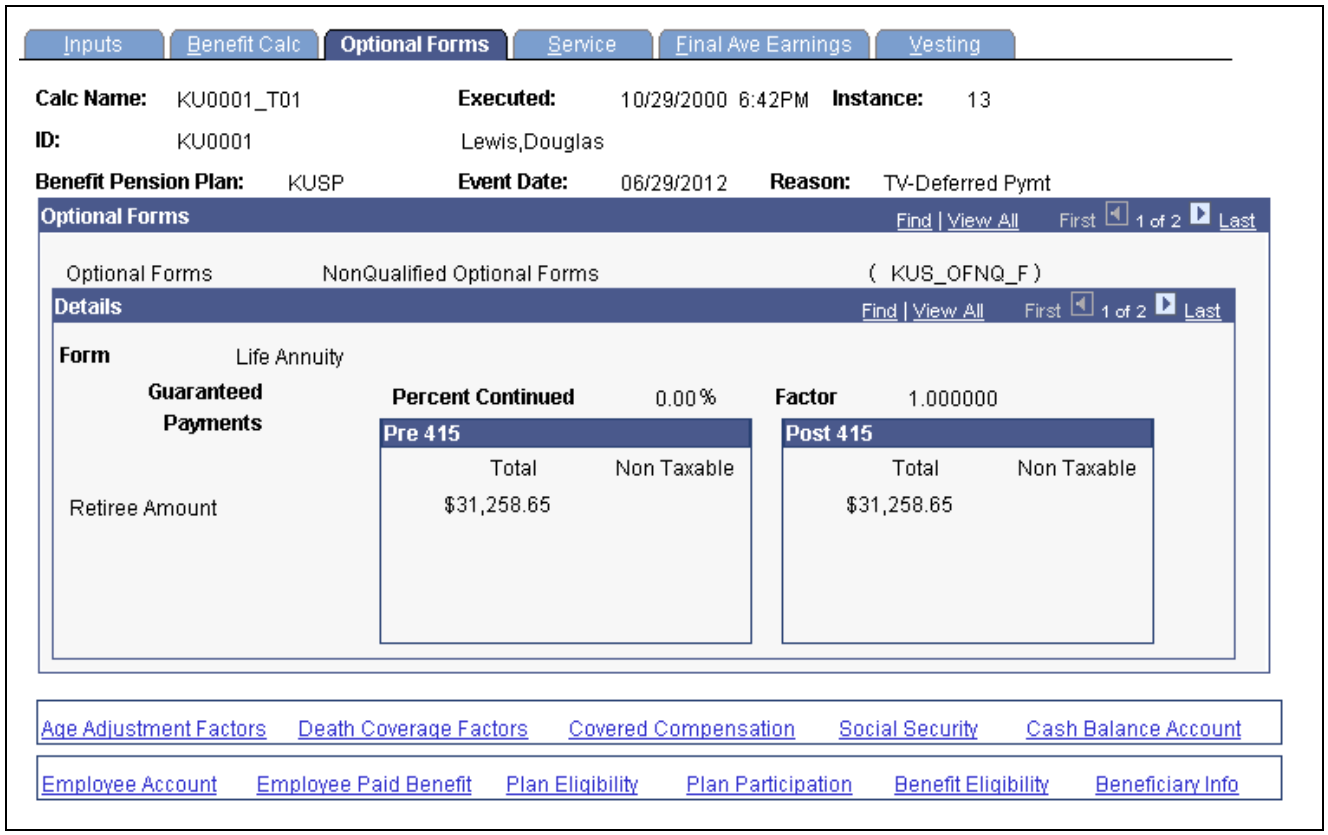
Benefit Amount Displays the amount of a participant's benefit in the plan's normal form of payment.

Auto Benefit Amount (automatic benefit amount) Displays the amount of any benefit automatically available to an eligible spouse, regardless of the participant's optional form selection, and available without any actuarial reduction to the participant's benefit.

Form Code Displays the normal form of the benefit.

Viewing Optional Forms Results

Access the Optional Forms page.



Optional Forms page

Form Displays each allowable payment form offered by the plan. Single participants are ineligible for joint and survivor, last to survive, pop-up, and reversionary annuities. Participants older than the level income age are ineligible for level income options. Participants with benefits above a specified amount are ineligible for lump sums that you define as small benefit cashouts.

Guaranteed Payments Displays the number of years of guaranteed payments (for example, *5* means five years—not five monthly payments).

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Percent Continued Displays the percentage of the benefit that is continued to the designated spouse beneficiary when a retiree dies.

Factor Displays the factor used to convert a benefit from its normal form to this form.

Retiree Amount and **Plan Beneficiary Amount** A form can have multiple payment types. Certain payment types are payable to a retiree, and others are payable to a beneficiary. Depending on the form and the number of beneficiaries, a single form can have multiple retiree payment types and multiple beneficiary payment types.

Pre 415 and Post 415

For each payment type, these group boxes display the amounts before and after 415 limits are applied. For all but your most highly compensated workers, the pre-415 and post-415 amounts are the same. The real amounts that are used for payments are the post-415 amounts; the pre-415 amounts are for your information only.

Total and Non Taxable The system calculates the total pension benefit for the specified optional form without regard to taxability. If a benefit includes amounts attributable to participant after-tax contributions, that portion of the benefit is not taxable until the participant has completely recovered his or her contributions. That amount appears in the Non Taxable column.

Retiree Payment Types

A payment type appears to the left of each amount in the Pre 415 and Post 415 group boxes.

Retiree Payment Type	Description
Retiree Amount	Amount due to a retiree. Except in the case of lump sums, this is normally a monthly amount payable until death.
Retiree Pre-SSRA Amount (retiree pre-social security retirement age) Retiree Post-SSRA Amount (retiree post-social security retirement age)	For a level income option (LIO), a retiree's benefit is higher before the retiree reaches social security retirement age (SSRA) and lower afterwards, when the retiree has presumably started receiving a social security benefit. Therefore, LIO forms produce two separate retiree amounts, the pre-SSRA and post-SSRA amounts.
Pop Up Amount	For a pop-up form of payment, the retiree amount increases if a beneficiary predeceases a retiree. The pop-up amount is the increased retiree amount.

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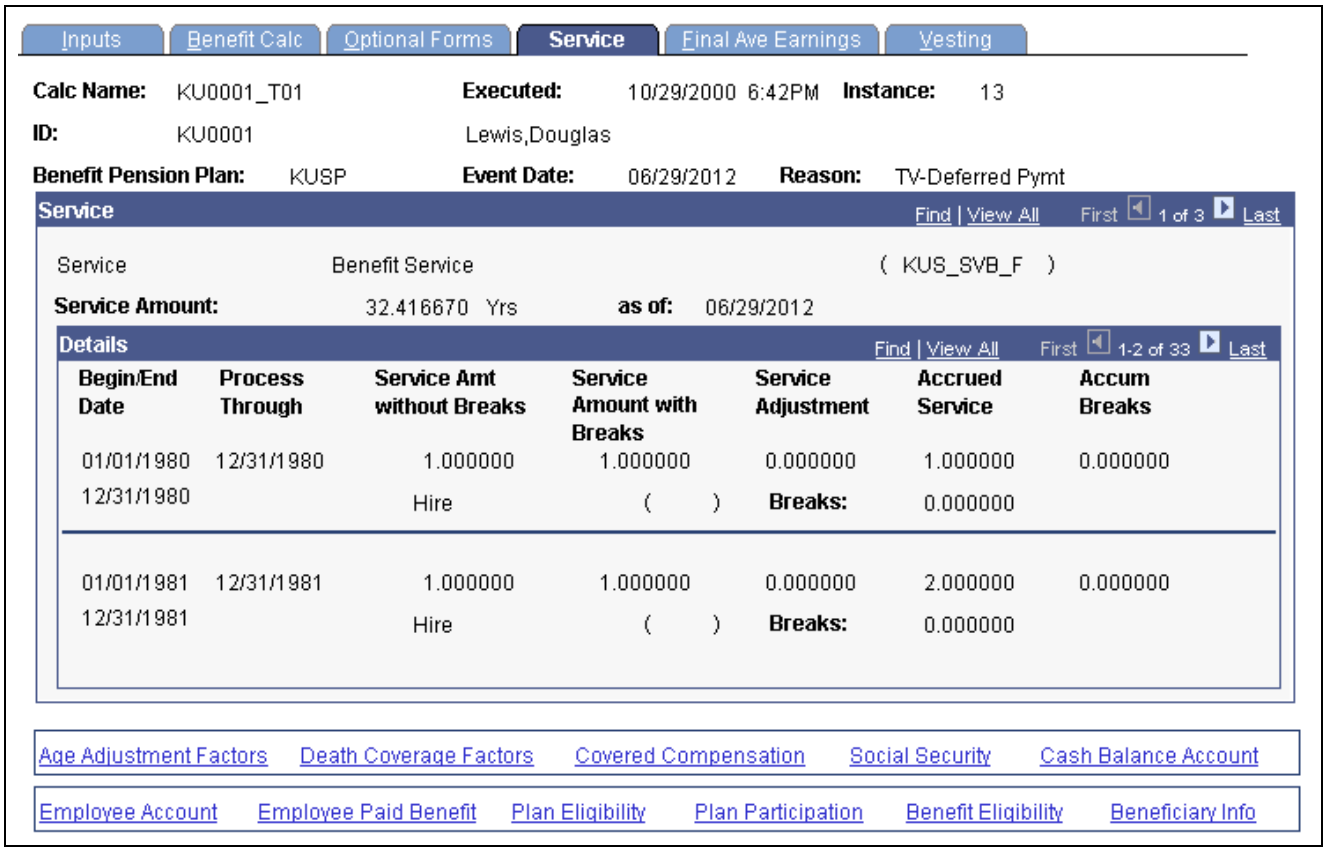
Plan Beneficiary Payment Types

Payment Type	Description
Plan Beneficiary Amount	Amount payable to a spouse beneficiary at a retiree's death. This can come from two different sources: a joint and survivor form (or any form that includes a percent continued) elected by the retiree, and an automatic plan benefit for which there is no actuarial reduction.
Nonspouse Beneficiary Amount	Amount payable to a non-spouse beneficiary after a retiree's death under a joint and survivor form of payment.
Spouse Demonstration J&S (spouse demonstration joint and survivor)	If a married retiree selects a non-spouse beneficiary, the retiree's spouse is entitled to know the amount that would have been payable to the spouse if the retiree had named the spouse as the beneficiary instead of naming a non-spouse beneficiary. This is different from the non-spouse beneficiary amount because the actuarial adjustment is based on the spouse's age, rather than the non-spouse beneficiary's age.
Survivor Amount	For a last to survive form, this is the amount due to the retiree or spouse after the other one has died.

Viewing Service Results

Access the Service page.

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Service page

Note. If you produced detailed results for the calculation, this page displays the periodic service history used to produce the final amount.

Service Amount — You might have several service calculations, including service credit, vesting service and participation service. The service amount is the final service accrued as of a specified date—typically, the event date.

Process Through — This is the same as the end date for past periods; it is the same as the event date for the final period.

Service Amt without Breaks (service amount without breaks) — Indicates how much service a participant earned during the period, based only on the service definition.

Service Amount with Breaks — Indicates how much of the original service for the period is used after considering break rules and other reasons for forfeiture.

Service Adjustment — Indicates adjustments on the Service Adj page for the period. You can manually enter adjustments, or the system can automatically generate adjustments, based on a withdrawal of contributions, service buyback activity (repayment of contributions), or service purchase activity.

Accrued Service — Indicates how much service a participant accumulated as of the end of the period, based on the previous accrued service amount and the activity for the current period.

Breaks — Indicates whether the period counted toward a break in service.

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Accum Breaks (accumulated breaks) Indicates how many consecutive breaks a participant has up to and including the period.

Action (Reason) For elapsed time definitions, which base service accrual on a participant's action and reason history from the job record, this field displays the most recent action and reason.

Hours Indicates how many hours a participant accrued during the period.

See Also

Chapter 56, "Administering Contributory Plans," page 605

Viewing Final Average Earnings Results

Access the Final Average Earnings page.



Final Average Earnings page

Note. If you produced detailed results for a calculation, this page displays the earnings history used to produce the amount.

Process Through Displays the latest date that was included in the calculations for the period, which is the end date for past periods.

Projected Flag Indicates whether the earnings are projected. This applies only to future-dated calculations.

Generated Earnings Displays the earnings after applying the plan's generation rules.

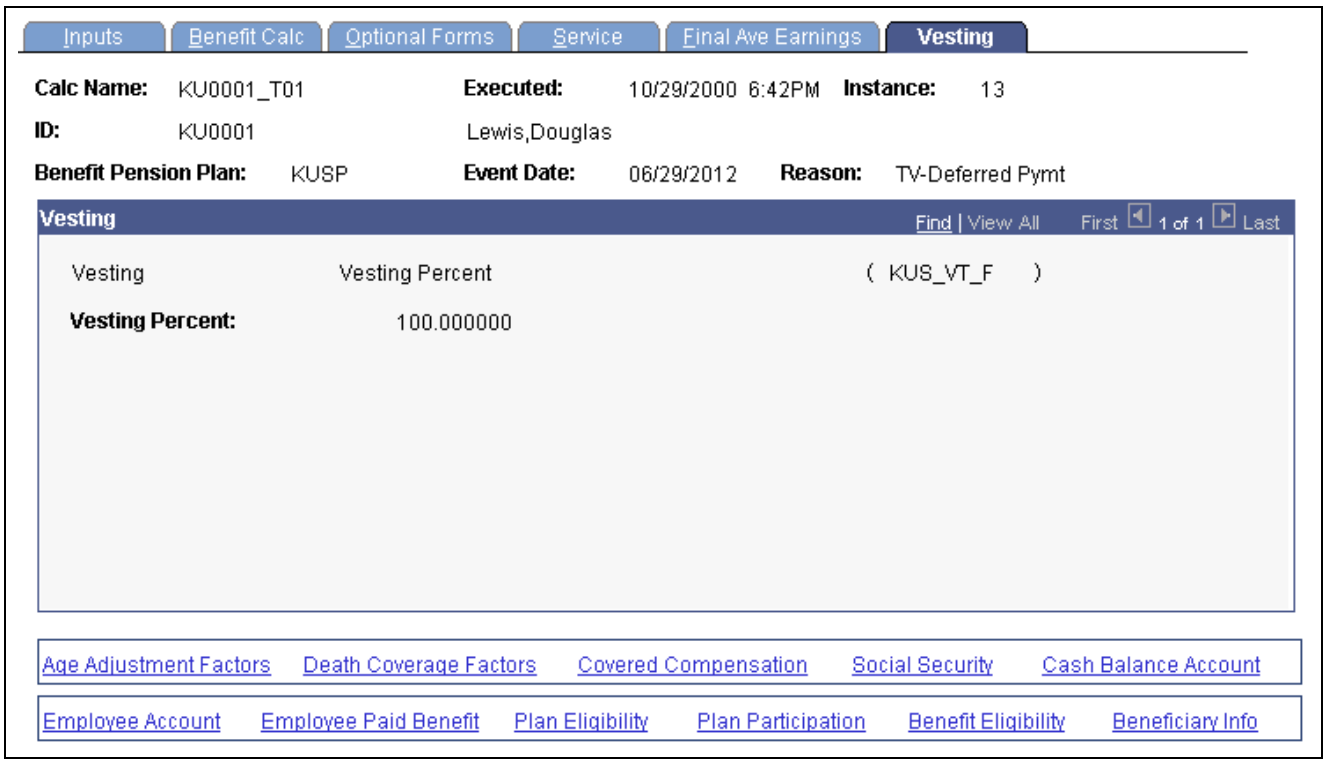
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Adjusted Earnings Displays the final earnings used in a calculation, which reflect minimums and maximums specified in the plan rules.

Adjusted earnings that appear black on this page are included in the averaging period; gray amounts are disregarded.

Viewing Vesting Results

Access the Vesting page.



Vesting page

Viewing Age Adjustment Results

Access the Age Adjustment Factors page.

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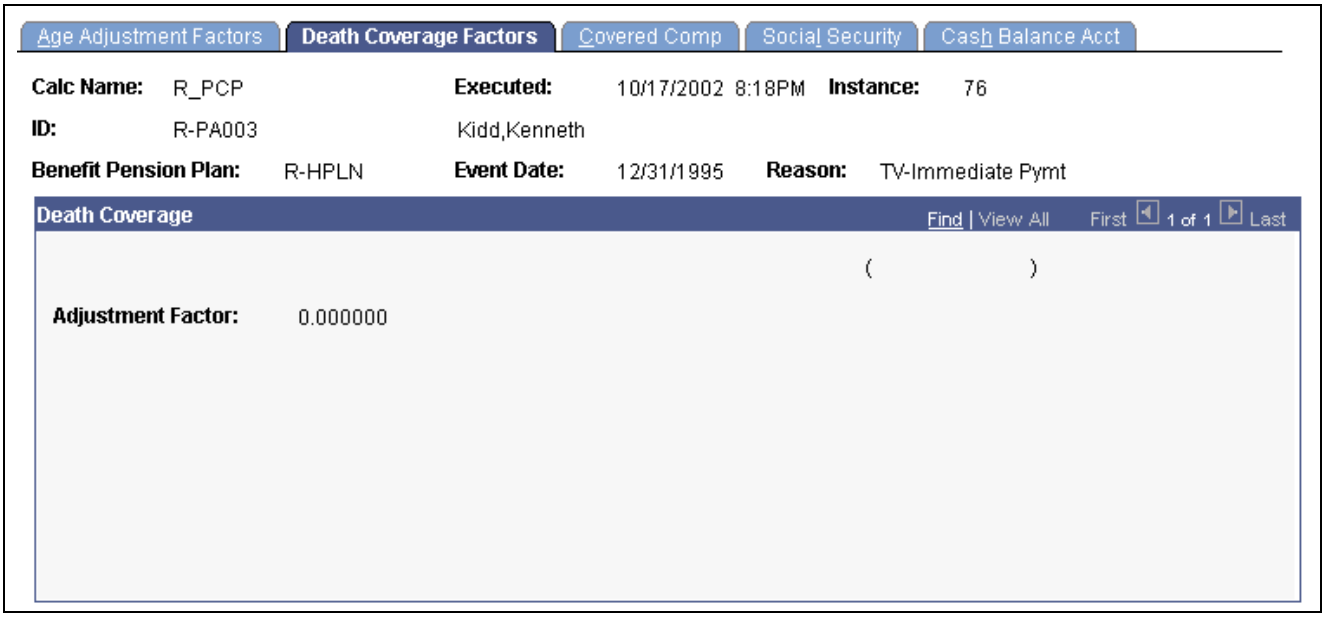


Age Adjustment Factors page

Adjustment Factor Displays the factor used to reduce or increase a benefit due to early or late benefit commencement. If there is no adjustment, the factor is 1.000000.

Viewing Death Coverage Results

Access the Death Coverage Factors page.



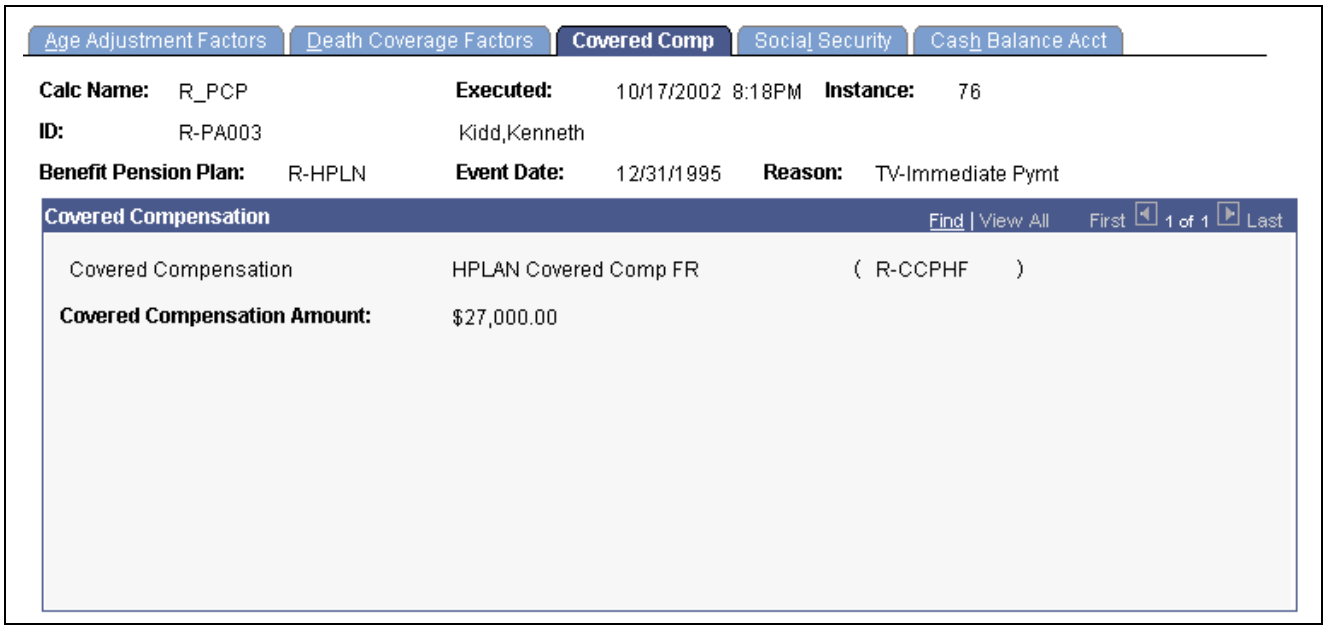
Death Coverage Factors page

Adjustment Factor Displays the factor used to reduce a benefit due to a participant's preretirement survivor annuity (PRSA) coverage.

Viewing Covered Compensation Results

Access the Covered Compensation page.

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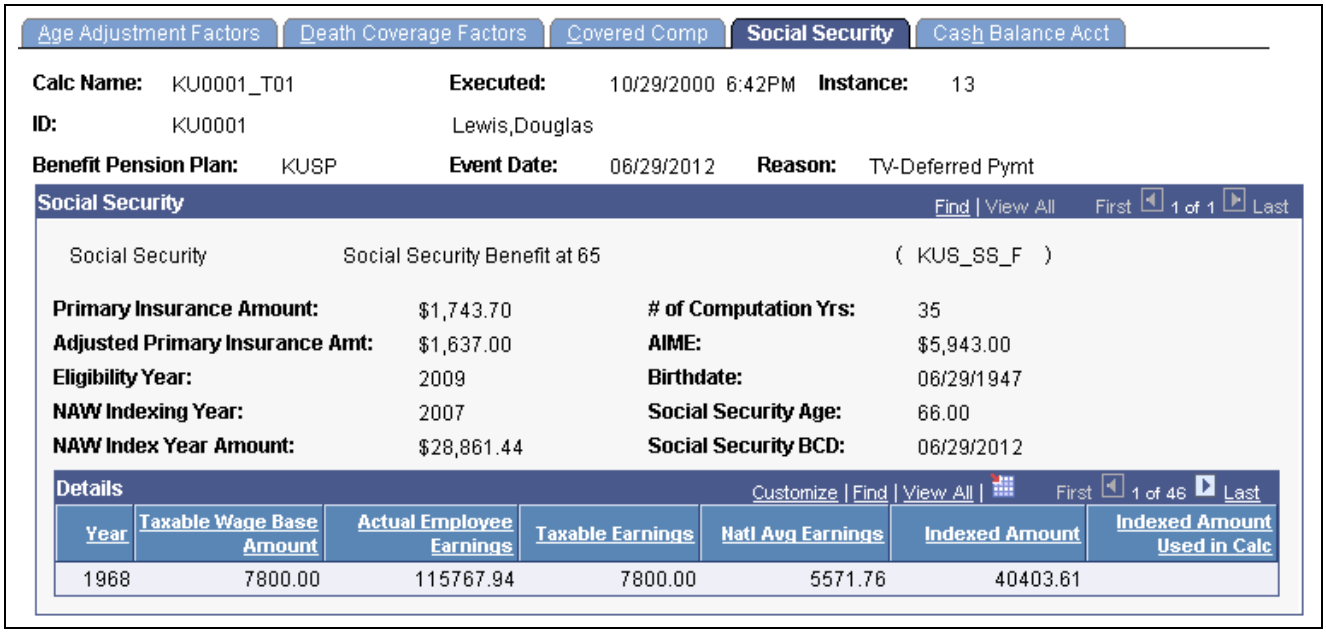


Covered Compensation page

Covered Compensation Amount Displays the result of a covered compensation calculation. This might be a monthly or annual amount, depending on how you set up your covered compensation calculation.

Viewing Social Security Results

Access the Social Security page.



Social Security page

Primary Insurance Amount Displays the initial social security PIA.

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Adjusted Primary Insurance Amt (adjusted primary insurance amount) — Displays the final PIA after both general increases and increases or reductions, based on the commencement date.

Eligibility Year — Displays the year in which a participant reaches age 62 or the year of death or disability.

NAW Indexing Year (national average wage indexing year) — This is two years before the year of eligibility.

NAW Index Year Amount (national average wage indexing index year amount) — Displays the national average wage (NAW) for the indexing year.

# of Computation Yrs (number of computation years) — Indicates how many years of a participant's earnings history are used in social security determination. Some years might be estimates based on your projection and regression rules.

AIME (average indexed monthly earnings) — To produce the average indexed monthly earnings, the system:

1. Takes the lesser of a participant's earnings and the taxable wage base for each computation year.
2. Indexes it with a factor representing the growth in the national average wage.
3. Divides the total by the number of months in the computation period.
4. Adjusts this value further by bend point factors to produce the initial PIA.

Birthdate and **Social Security Age** — The birth date determines the social security age.

Social Security BCD (social security benefit commencement date) — This is the assumed benefit commencement date for social security benefits. This is important because benefits are reduced or increased for early or late commencement.

Taxable Earnings — Displays the lesser of the taxable wage base amount and the actual participant earnings.

Natl Avg Earnings (national average earnings) — Indexing is based on NAW growth. This field displays the national average earnings for the NAW indexing year.

Indexed Amount — The indexed amount is determined by multiplying the taxable earnings by a factor in which the numerator is the NAW for the indexing year and the denominator is the NAW for the year being indexed.

Indexed Amount Used in Calc (indexed amount used in calculation) — Displays the final indexed amount used to determine the AIME.

The earnings can come from two sources:

- The system's consolidated earnings history, regressed and projected according to your plan assumptions.
- The Employee Soc Sec Earnings page, where you can override a participant's earnings history.

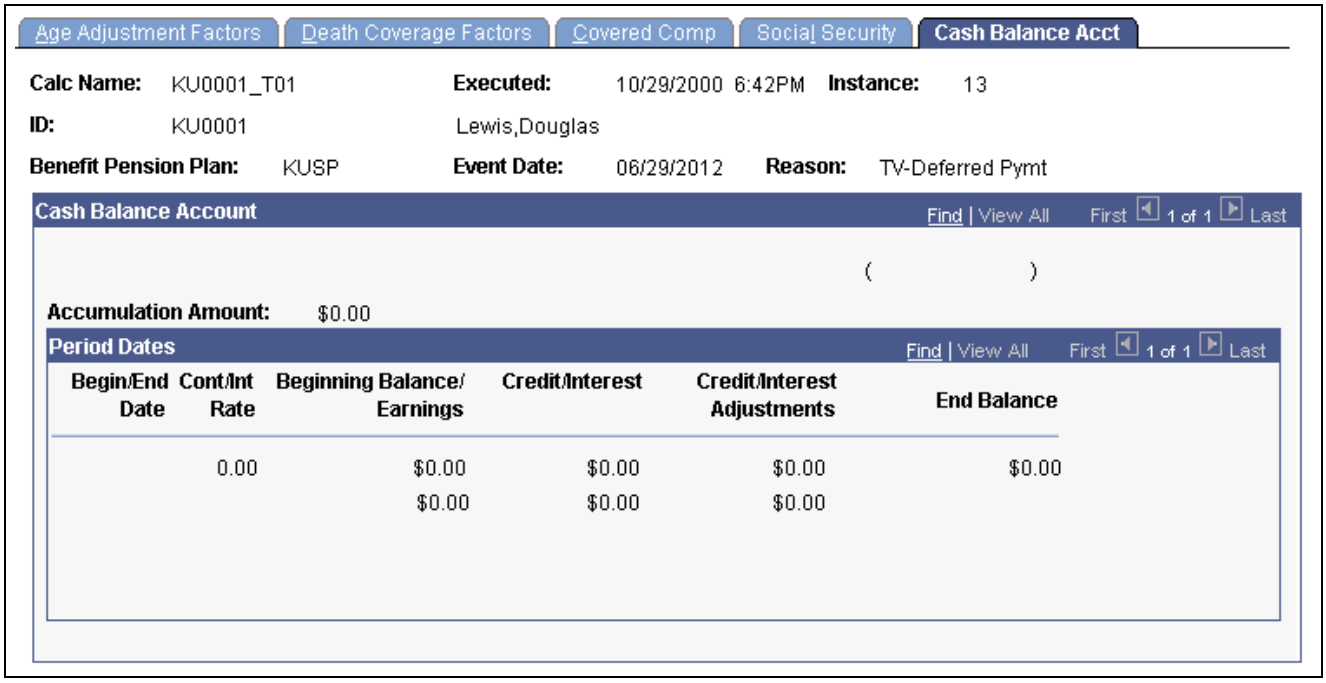
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See Also

Chapter 51, "Maintaining Employee Pension Data," Entering an Employee's Actual Social Security Earnings History, page 515

Viewing Cash Balance Account Results

Access the Cash Balance Account page.



Cash Balance Account page

Note. If you produced detailed results for the calculation, this page displays the periodic accumulations.

Begin/End Date — If a participant had a startup balance from the time that you loaded data into Pension Administration, the first period begins and ends on the startup as of date. This startup period has an ending balance, but no other supporting detail.

Cont/Int Rate (contribution or interest rate) — The contribution rate displays the percentage of earnings for the period that was credited to the account.

The interest rate displays the interest rate used on the beginning balance.

Beginning Balance/Earnings — Displays the accumulation amount at the beginning of the period and the total earnings for the period.

Credit/Interest — Credit is the non-interest amount credited to the account during the period. The credit is a percentage of earnings, based on the contribution rate and earnings amounts.

Interest is the amount of interest credited to the account during the period.

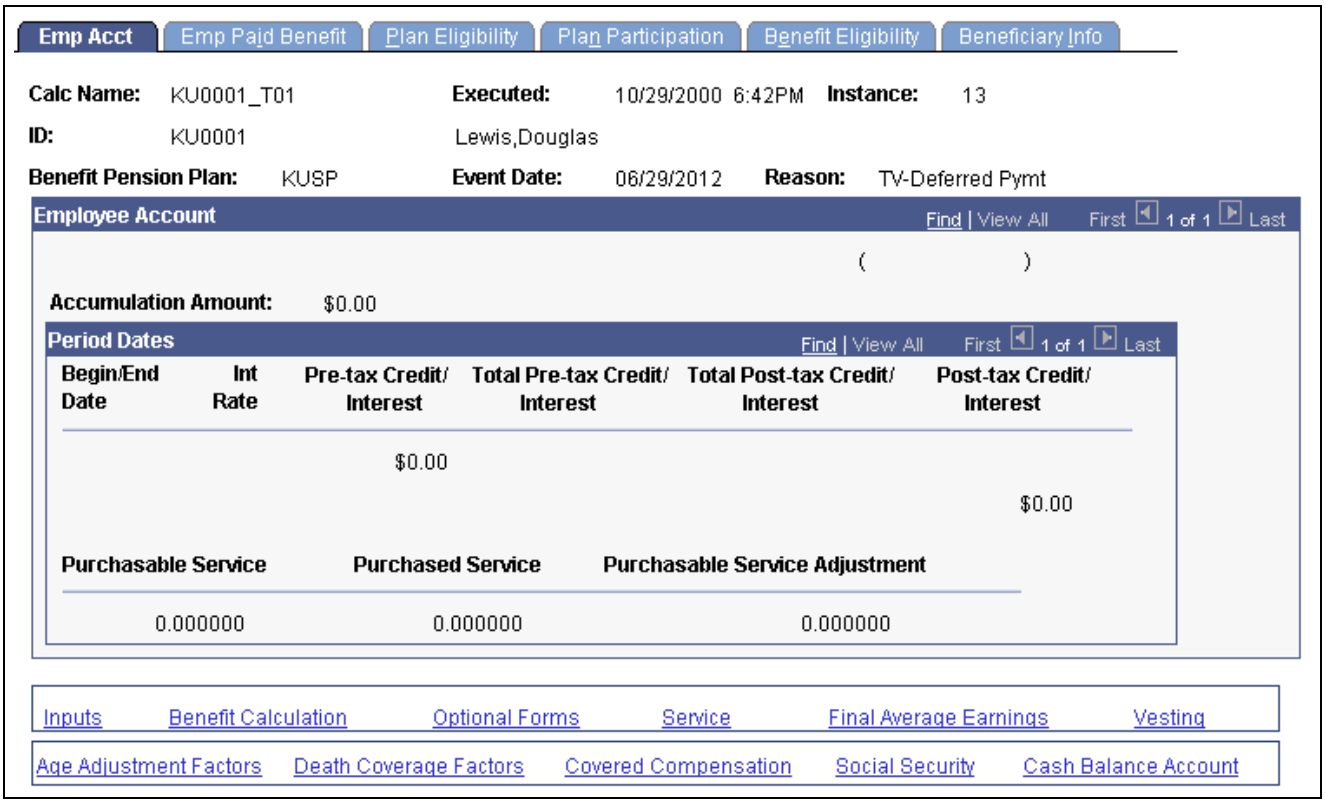
Credit/Interest Adjustments — If there were manual adjustments to the credit or interest during a period, the displayed amounts reflect those adjustments. These fields also indicate what portion of the credit or interest was due to an adjustment.

End Balance — Displays the accumulation as of the end of the period.

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Viewing Employee Account Results

Access the Employee Account page.



Employee Account page

Note. If you produced detailed results for a calculation, this page displays the periodic accumulations.

Employee Account

Accumulation Amount Displays the final value for the account as of the event date.

Period Dates

Begin/End Date If the participant had a startup balance at the time that you loaded data into Pension Administration, the first period begins and ends on the startup as of date. This period has no current period data, only ending balances in the total columns.

Int Rate (interest rate) Displays the interest rate applied to the prior period balance.

Pre-tax Credit/Interest and **Post-tax Credit/Interest** Display the pretax and posttax credits applied to the account during the current period and the interest earned by each. The first value in each column is the credit; the second is the interest. Posttax interest is just the interest on posttax contributions; the interest itself has not yet been taxed.

If there were manual adjustments during a period, the current period data displayed reflects those adjustments.

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Total Pre-tax Credit/Interest and **Total Post-tax Credit/Interest**

Displays the same information as the Pre-tax Credit/Interest and Post-tax Credit/Interest fields, but rather than displaying only credits and interest for current period, these fields display the running balances.

Purchasable Service

Displays the service that a participant can receive if the participant repays previously withdrawn contributions or sets up a service purchase arrangement. The value is zero until either a contribution withdrawal or service purchase arrangement establishes an initial amount of purchasable service. As the service is restored, which can be all at once or gradually, the purchasable service amount is reduced.

For example, if Lucia withdraws 2,000 USD of contributions and thus forfeits three years of service, the withdrawal account has an ending balance of -2,000 USD and a purchasable service amount of 3.0. The adjustment to the account balance rolls up to the plan's main contributory account, but the purchasable service does not. Therefore, the main contributory account still displays zero purchasable service.

For a service purchase arrangement, a plan administrator must establish the initial amount of purchasable service and enter it (and the dollar amount necessary to purchase the service) on the Empl Acct Adj page.

Purchased Service

Displays service that was restored during the period, as defined by the Begin/End Date field.

Purchasable Service Adjustment

Displays manual adjustments to purchasable service during the period. For example, if you set up a service purchase process incorrectly and have to change the amount of purchasable service, you enter a manual adjustment on the Empl Acct Adj page. During the next periodic processing, the purchasable service is adjusted by that amount, and the results for the period include both the adjustment amount in this field and the adjusted amount in the Purchasable Service field.

Note. The service fields on this page apply only to withdrawal and service purchase subaccounts. Although the dollar activity in these accounts rolls up to the plan's main contributory account, the service information does not.

Reviewing Service Buyback and Purchase Activity

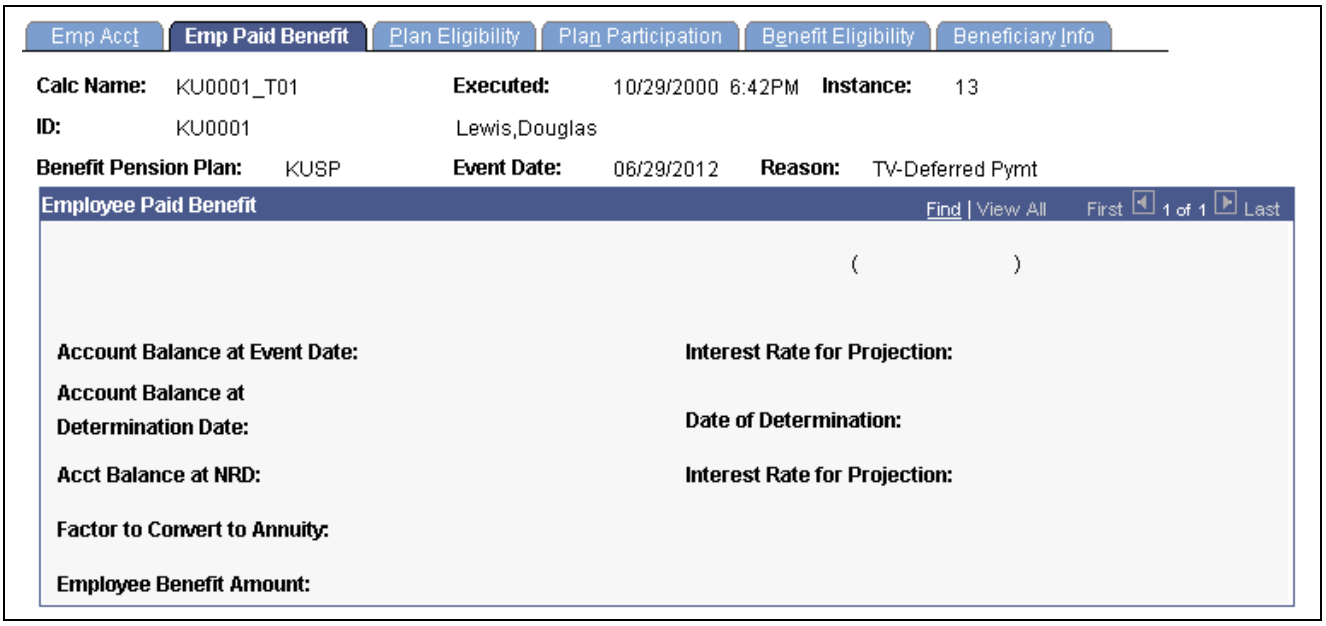
Sometimes activity in a participant account affects service. This happens in one of three ways:

- Participants withdraw contributions and forfeit the corresponding service. This typically occurs at termination.
- Participants repay the withdrawn contributions and buy back the service originally forfeited. This typically occurs after a rehire.
- Participants make contributions for times when they were not accruing service and thus purchase service credit for that time. The purchased service period is typically a time when a person was employed but not eligible for the plan. Plans might also allow service purchase for time spent on military leave or other qualified leaves.

Viewing Employee-Paid Benefit Results

Access the Employee Paid Benefit page.

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Employee Paid Benefit page

Account Balance at Event Date Displays the value of the contributions, plus interest, as of the event date.

Interest Rate for Projection Indicates how the participant contributory balance was projected from the event date to the determination date.

Account Balance at Determination Date Displays the value as of the date for refunding contributions—typically, the benefit commencement date or the lump sum date from the calculation inputs.

Interest Rate for Projection Displays the rate used to project the account balance from the date of determination to normal retirement date.

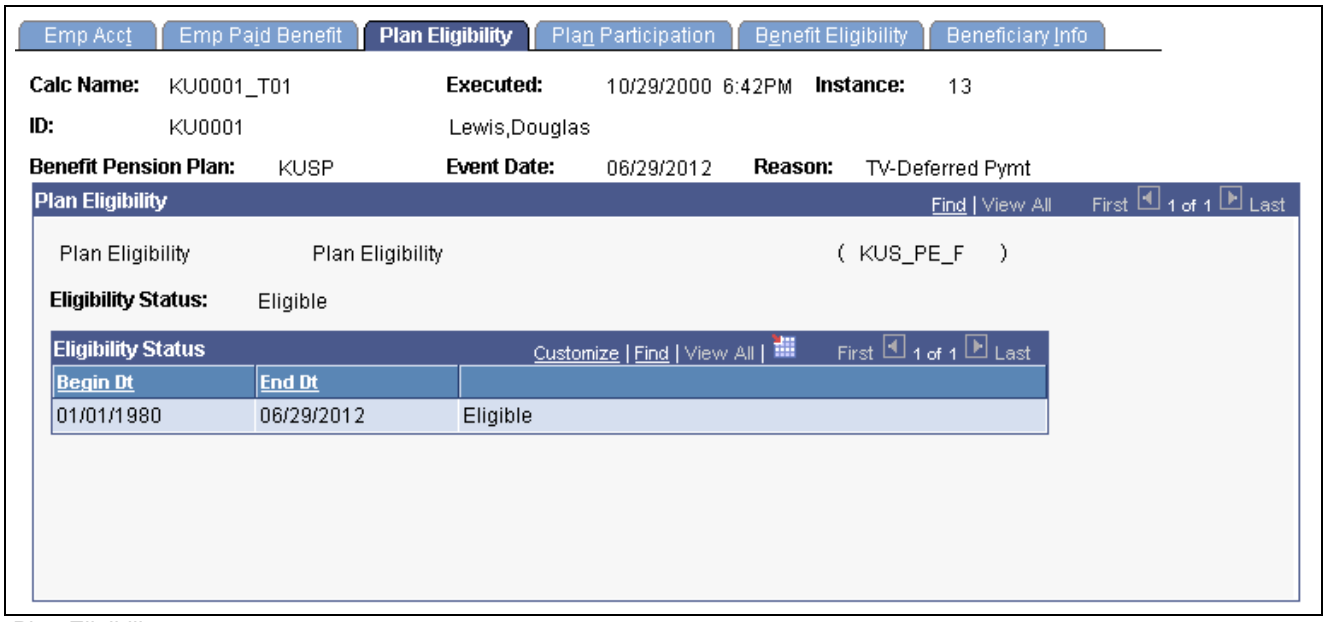
Factor to Convert to Annuity Displays the factor used to convert from a lump sum to the plan's normal form. This enables you to eventually compare this amount to the total benefit.

Employee Benefit Amount Displays the value of the account in the plan's normal form of payment as of the later of either the normal retirement date or the date of determination.

Viewing Plan Eligibility Results

Access the Plan Eligibility page.

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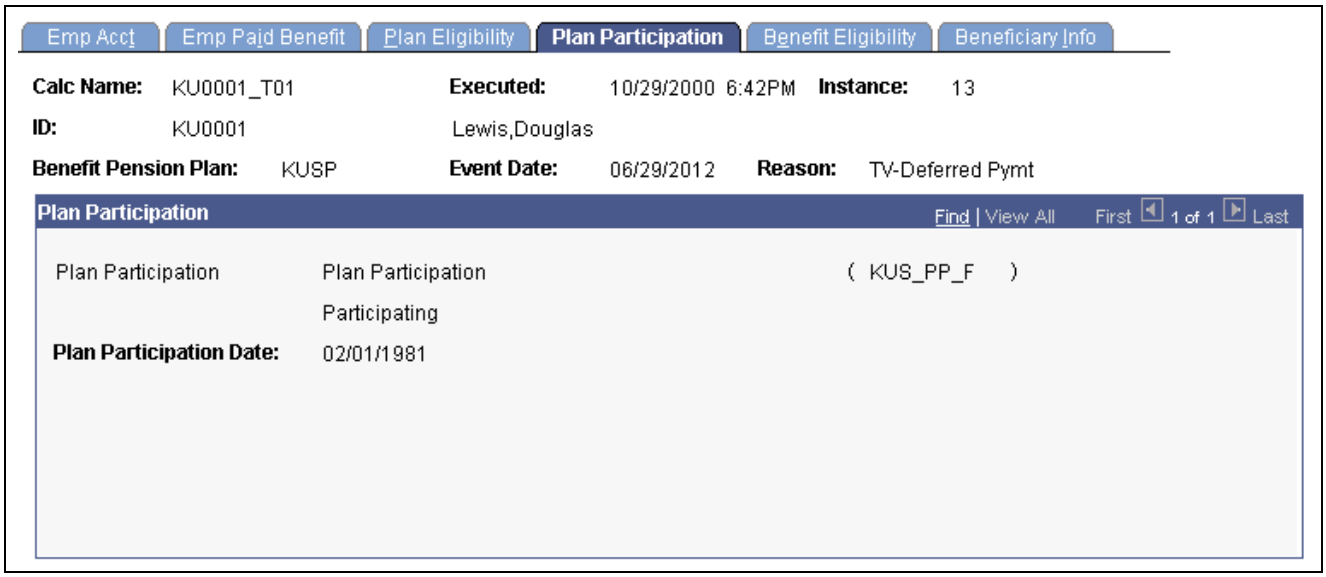


Plan Eligibility page

Eligibility Status Indicates whether the employee is eligible to participate in a plan.

Viewing Plan Participation Results

Access the Plan Participation page.



Plan Participation page

Note. If a participant is not participating in a plan, the calculation stops after running the participation calculation.

Plan Participation Date Indicates when a worker became a participant or, for calculations with projections, when the worker is expected to become a participant.

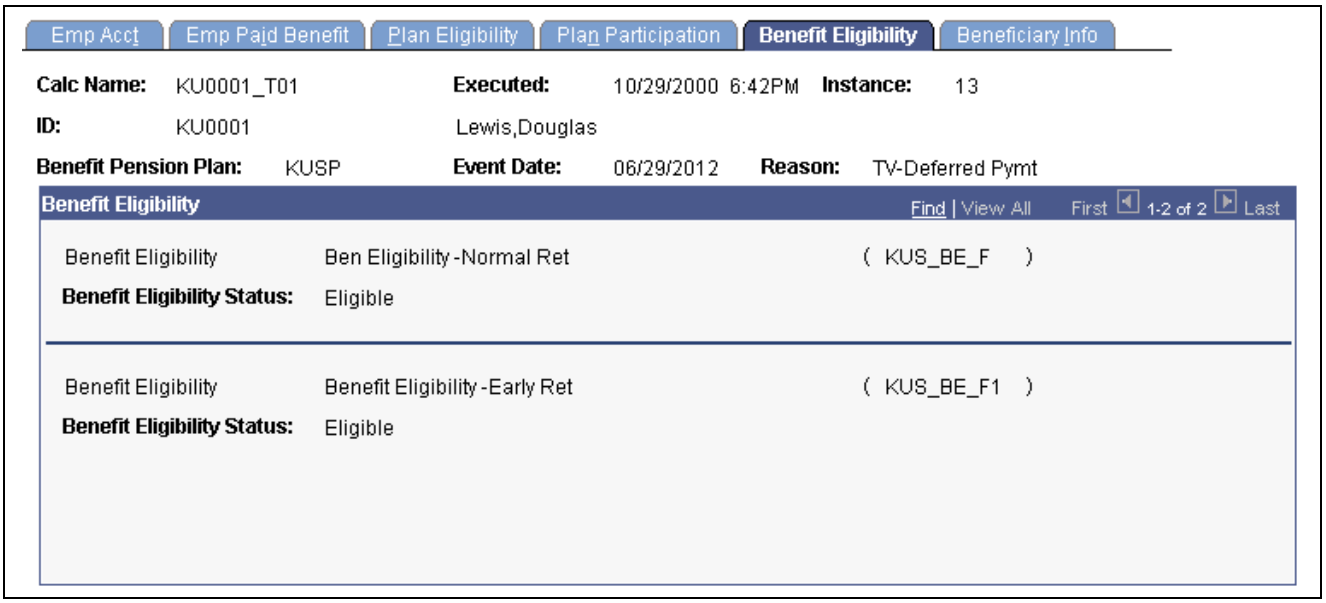
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When participation is based on age, the participation date is the same day that the worker attains the specified age, subject to date adjustments that you specify (either date rounding or plan entry dates).

When participation is based on service, however, the system does not necessarily determine the exact day the worker attains the specified amount of service. Instead, the system checks the service history, finds the period when the worker attained the specified service amount, then uses the first day of the next period. The accuracy of this date depends on how you set up your service requirement.

Viewing Benefit Eligibility Results

Access the Benefit Eligibility page.



Benefit Eligibility page

Benefit Eligibility Status Indicates whether a participant is eligible or ineligible for a retirement type.

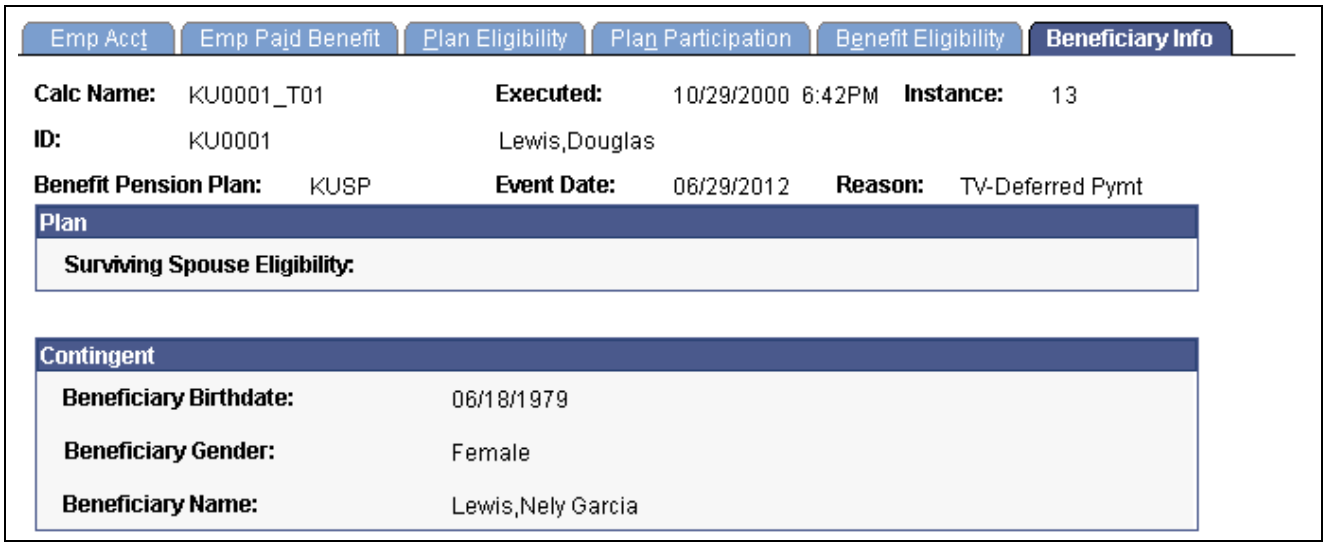
Depending on how you set up your calculation rules, this can be the eligibility status as of the event date or the benefit commencement date.

Typically, a plan has one retirement eligibility function result for each allowable retirement type, such as early retirement and normal retirement. You also use this function to determine eligibility for ancillary benefits, such as death and disability.

Viewing Beneficiary Information

Access the Beneficiary Info page.

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Beneficiary Info page

Surviving Spouse Eligibility If a plan offers an automatic spouse benefit, this field indicates whether a participant and spouse met the plan's criteria to be eligible for the automatic benefit.

Beneficiary Birthdate, Beneficiary Gender, and **Beneficiary Name** If a participant has a non-spouse beneficiary, these fields display information about that beneficiary.

The calculation parameters include override fields for all of these fields except for the beneficiary's name. The values on this page display the information that the calculation used, regardless of the data source.

Activating the Application Trace

This section provides an overview of the application trace, lists the page used to activate the application trace, and discusses how to activate the application trace.

Understanding the Application Trace

If the PeopleSoft Global Support Center is helping you troubleshoot a calculation error, the person assisting you might ask you to activate the application trace. The trace is a debugging tool that records information that PeopleSoft uses to track down concerns. The information is useful only to PeopleSoft, so do not use this tool unless so instructed. The application trace is not meant to be used as an everyday tool to view calculation results.

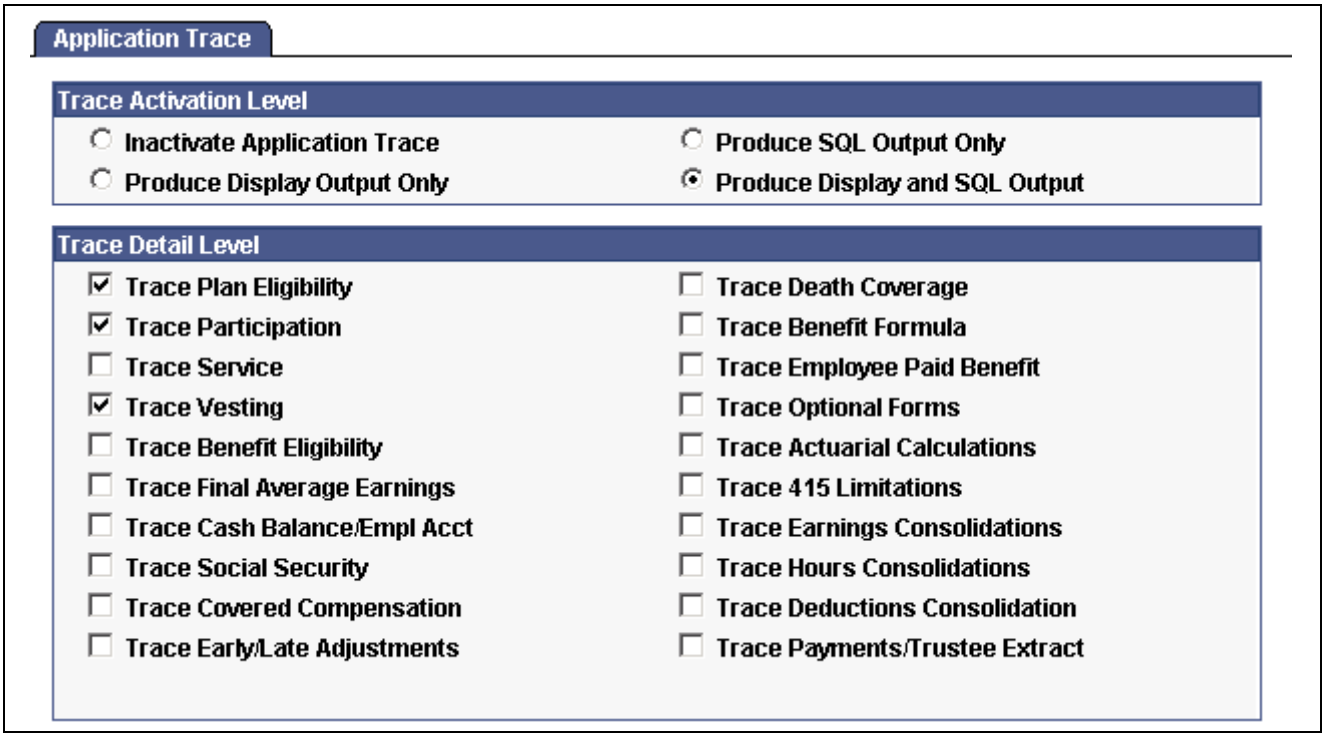
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Page Used to Activate the Application Trace

Page Name	Object Name	Navigation	Usage
Application Trace	PA_AUDIT_PNL	Set Up HRMS, Product Related, Pension, Utilities, Pension Processing Trace, Application Trace	Activate and deactivate the application trace.

Activating the Application Trace

Access the Application Trace page.



Application Trace page

Trace Activation Level

Inactivate Application Trace Select this option to deactivate the trace. Leave the trace off except when you need to use it; running the trace has a severe performance impact.

Note. Deactivate the trace when you finish using it.

Produce SQL Output Only, Produce Display Output Only, and **Produce Display and SQL Output** Select an option to activate the trace and set the output destination.

SQL output is stored in the PS_PA_AUDIT_TRACE table in the database. Review the information using a database tool, such as ISQLw, or another query tool appropriate to the database platform. Saving the trace in the database keeps the trace information available permanently. Distinguish the data from different calculations by the process instance number. This enables you to save the traces from several calculations and reference them separately, but it also means that you must periodically delete old trace data to avoid storing large amounts of irrelevant data.

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Display output appears on the process menu. If you run this on the client, the process menu appears on your client workstation. If you run this on the server, the database platform determines where the display appears. Because you cannot scroll backward on the process menu, use the menu to monitor the progress of the calculation.

To access the output after information has scrolled by, open the log file that PeopleSoft PeopleTools writes to the temporary directory. This log file contains the contents of the process menu, so putting the trace information on the display menu ensures that the trace information appears in the log file. Log files are overwritten each time you run any PeopleSoft process—not just a calculation. To save the information, save the log file with a different name or in a different location before running your next process.

Trace Detail Level

Use this group box to select the processes to trace. Because the application trace dramatically slows your processing, run the trace only on the process that you are troubleshooting.

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Track Faculty Events, "Setting Up Track Faculty Tenure," Understanding Service Parameters and Accrual Control Tables

Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler

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CHAPTER 48

Viewing Employee Data

This chapter discusses how to:

- View personal and beneficiary data.
- View job history.
- View plan-related and service buyback and purchase information.

See Also

Chapter 51, "Maintaining Employee Pension Data," page 493

Viewing Personal and Beneficiary Data

This section provides an overview of the pages used to view personal and beneficiary data, lists the pages used to view personal and beneficiary data, and discusses how to:

- View employee addresses and phone numbers.
- View employee personal profile information.
- View current job, personal, and pay data.

Understanding the Pages Used to View Personal and Beneficiary Data

PeopleSoft delivers read-only pages that enable you to view personal and beneficiary data. PeopleSoft assumes that your human resources department maintains this data—not your pension organization. You can make these pages available for updates by using the Security features.

Note. Beneficiaries and Qualified Domestic Relations Order (QDRO) alternate payees first appear in the system through the Dependent/Beneficiary table; their personal data records are initially derived from their dependent/beneficiary records.

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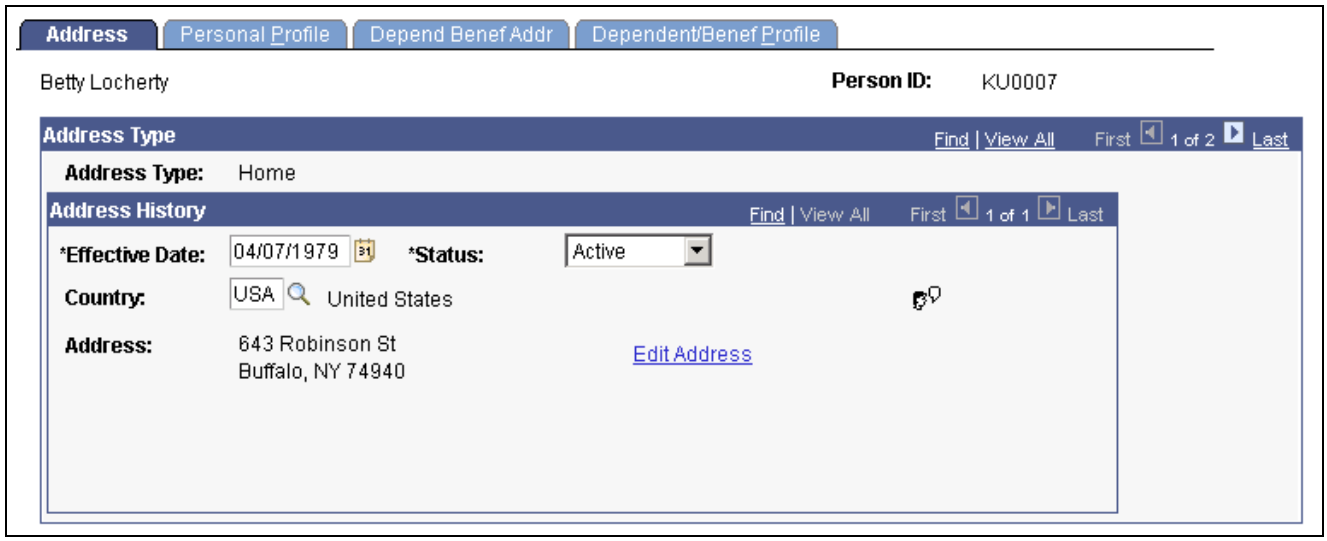
Pages Used to View Personal and Beneficiary Data

Page Name	Object Name	Navigation	Usage
Address	PERSONAL_DATA1B	Pension, Pension Information, Review Employee Information, Address	View employees' address.
Edit Address	EO_ADDR_USA_SEC	From the Address page, click Edit Address.	Add or edit the employee's address.
Personal Profile	PA_PERS_DATA2	Pension, Pension Information, Review Employee Information, Personal Profile	View important dates in an employee's work history and current job data, personal data, and pay data.
Depend Benef Addr (employee information - dependent and beneficiary address)	DEPEND_BENEF_ADDR	Pension, Pension Information, Review Employee Information, Depend Benef Addr	1. View the address and phone number for each of an employee's dependents and beneficiaries. 2. View each beneficiary's type. 3. View each dependent's relation to the employee. **Note.** This is a key field for pension calculations when determining whether an employee is married.
Dependent/Benef Profile (employee information - dependent and beneficiary profile)	PA_DEPEND_BENEF2	Pension, Pension Information, Review Employee Information, Dependent/Benef Profile	1. View personal information about each dependent. 2. View each dependent's relationship to the employee. **Note.** This is a key field for pension calculations when determining whether an employee is married.

Viewing Employee Addresses

Access the Address page.

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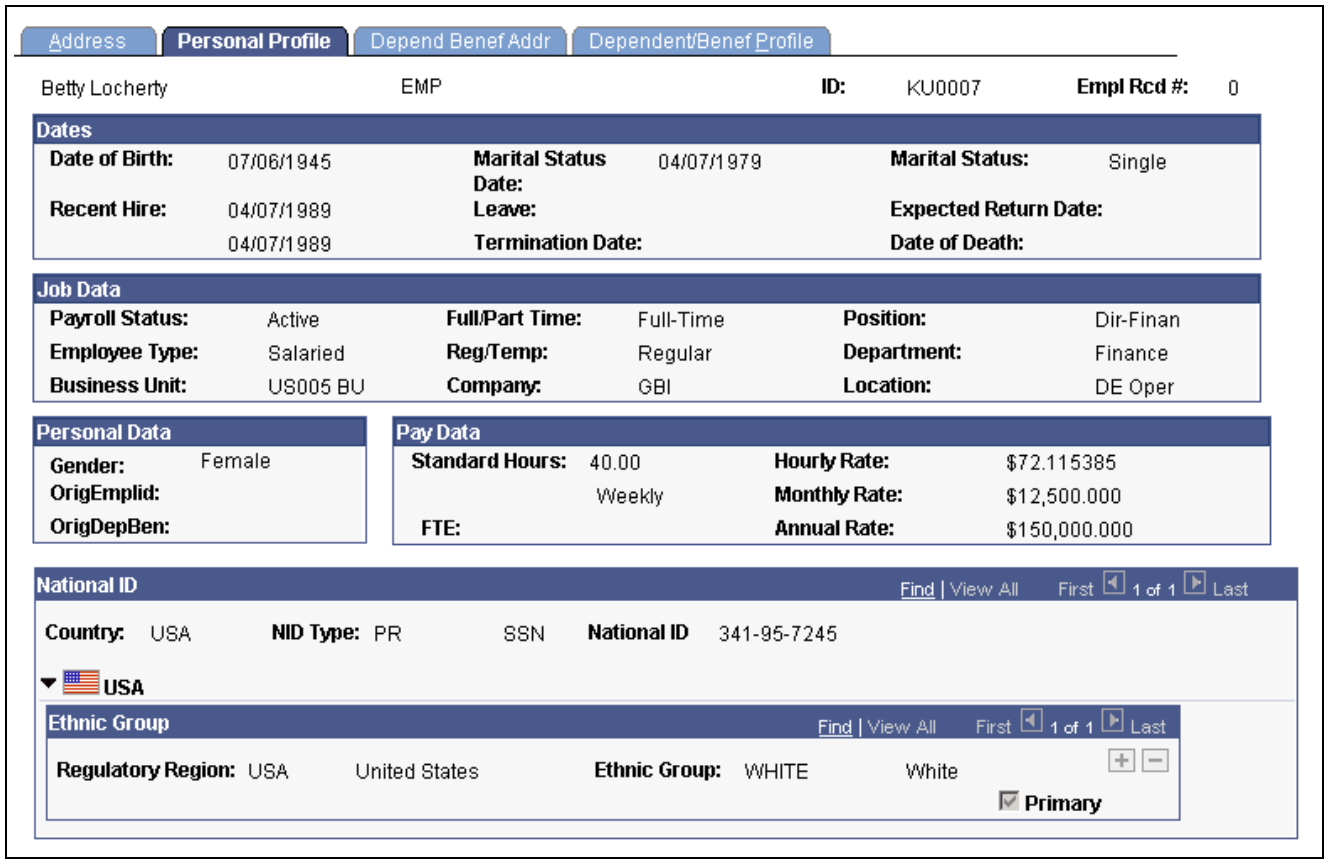


Address page

Edit Address Click to access the Edit Address page to enter or update the employee's address information.

Viewing Employee Personal Profile Information

Access the Personal Profile page.



Personal Profile page

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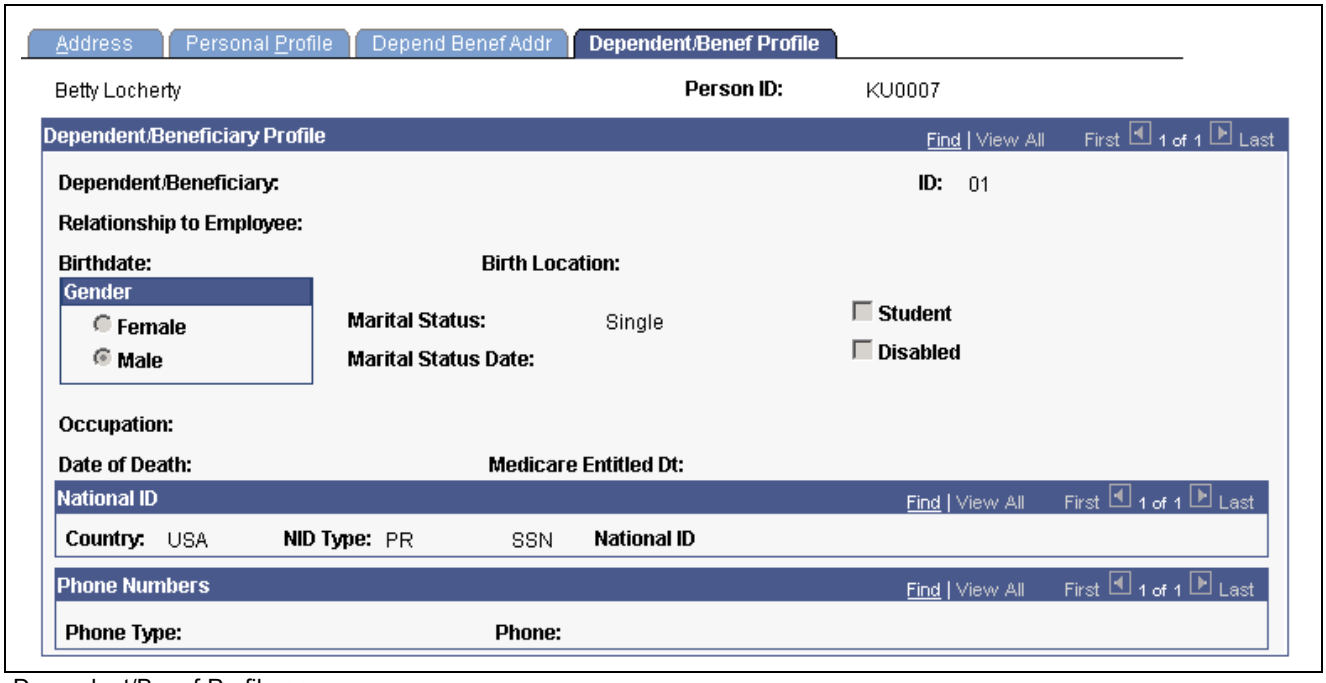
The following fields appear only for beneficiaries and alternate payees. These people are not employees, but have gained an interest in a pension benefit through a spouse or former spouse who is a plan participant. For example, an employee worked for your company, and because of a divorce settlement, her former husband is now entitled to a portion of her benefit.

OrigEmplid (original employee identification) Displays the original employee's employee ID. This employee's dependent or beneficiary first appeared in the system in the employee's Dependent/Beneficiary table (you need to have created the personal data record).

OrigDepBen (original dependent or beneficiary identification) Displays the dependent/beneficiary number of this dependent or beneficiary.

Viewing Dependent and Beneficiary Data

Access the Dependent/Benef Profile page.



Dependent/Benef Profile page

Relationship to Employee For pension calculations, the relationship to the employee is critical data.

The relationship displayed here is not associated with other data, such as the employee's or the beneficiary's marital status. The system does not prevent you from recording more than one spouse.

Birthdate For the spouse or other pension beneficiary, the birth date is critical data.

Gender Gender may be important if you must reproduce historical calculations that used sex-differentiated actuarial assumptions.

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Viewing Job History

This section provides an overview of job data and lists the pages used to view job data.

Understanding Job Data

Pension calculations are based on job data that is subject to change: salary, employee type, and employee status. Use the Job History component to access a record of the changing values.

If an employee has multiple jobs, you can see data for any of those jobs.

Pages Used to View Job History

Page Name	Object Name	Navigation	Usage
Salary Rate History	PA_SAL_RATE_HIST	Pension, Pension Information, Review Job History, Salary Rate History	• View a complete history of an employee's compensation rate: hourly, monthly, and annual amounts. • View the employee type, full-time or part-time status, and standard hours effective at the time. **Note.** This page displays one row for each salary change in the job record.
Employee Type History	PA_EMPL_TYPE_HIST	Pension, Pension Information, Review Job History, Employee Type History	View a chronological history of an employee's salaried or hourly status, full-time or part-time status, and regular or temporary status. **Note.** This page displays multiple rows only if there have been changes to the status.
Action/Reason History	PA_ACT_REASON_HIST	Pension, Pension Information, Review Job History, Action/Reason History	View the events recorded in the Action/Reason fields in an employee's job record. **Note.** This page displays one row for each effective date in the Job record. Not all events are relevant to pension.

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Viewing Plan-Related Information

This section provides an overview of the pages used to view plan-related information, lists the pages used to view plan-related information, and discusses how to:

- View plan information.
- View eligibility and participation information.
- View service history.
- View cash balance history.
- View employee account history.

Understanding the Pages Used to View Plan-Related Information

You use the Plan History component to view data calculated by Pension Administration during periodic processing or loaded into the system at implementation time.

You cannot edit the data that appears on these pages. If you must adjust cash balances or employee accounts, use the adjustment pages on the Update Employee Plan Data menu.

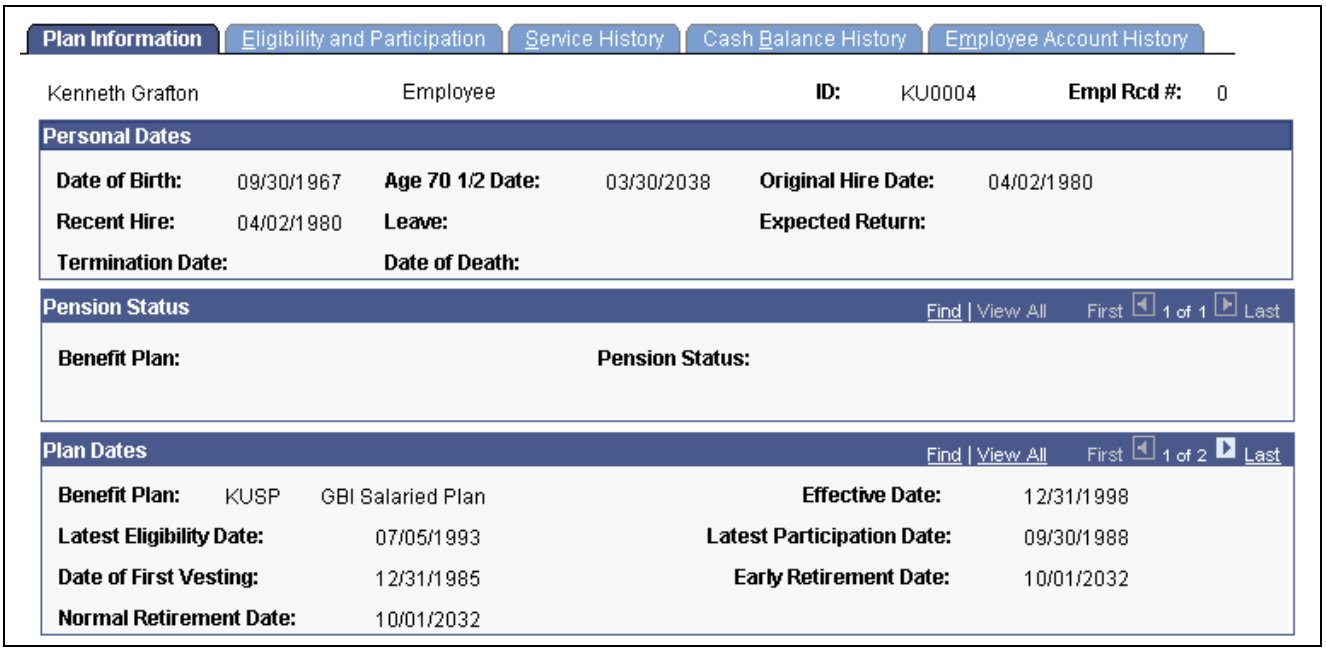
Pages Used to View Plan-Related Information

Page Name	Object Name	Navigation	Usage
Plan Information	PA_PLAN_INFO	Pension, Pension Information, Review Plan History, Plan Information	View significant dates in an employee's employment history and projected dates for retirement eligibility.
Eligibility and Participation	PA_ELIG_PART_HIST	Pension, Pension Information, Review Plan History, Eligibility and Participation	View the history of an employee's changing eligibility and participation statuses.
Service History	PA_SVC_HIST	Pension, Pension Information, Review Plan History, Service History	View an employee's service history, period by period.
Cash Balance History	PA_CASH_BAL_HIST	Pension, Pension Information, Review Plan History, Cash Balance History	View the period-by-period credits given to an employee under a cash balance plan.
Employee Account History	PA_CONTR_HIST	Pension, Pension Information, Review Plan History, Employee Account History	View the period-by-period contributions and interest credited to an employee's account under a contributory plan.

Viewing Plan Information

Access the Plan Information page.

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Plan Information page

Personal Dates

Age 70 1/2 Date Displays the date on which pension payments must begin, unless the employee has not yet retired.

Termination Date Displays the most recent termination date, if an employee is no longer at the company.

Plan Dates

This group box enables you to scroll through each benefit plan for which the system has data. The dates are set during periodic processing.

Effective Date Displays the date on which you ran the periodic process that calculated the other dates.

Date of First Vesting and **Normal Retirement Date** These dates are calculated as defined in Plan Date Aliases.

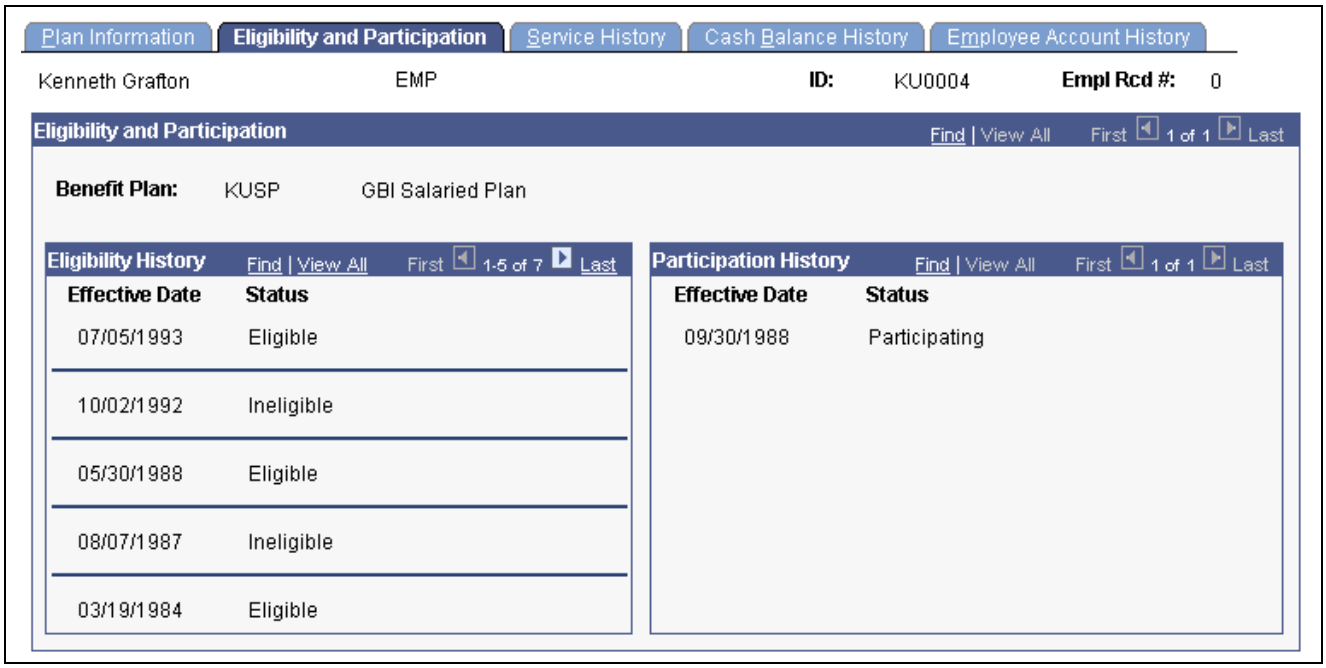
See Also

Chapter 31, “Using Date Aliases and Date Options,” page 267

Viewing Eligibility and Participation Information

Access the Eligibility and Participation page.

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Eligibility and Participation page

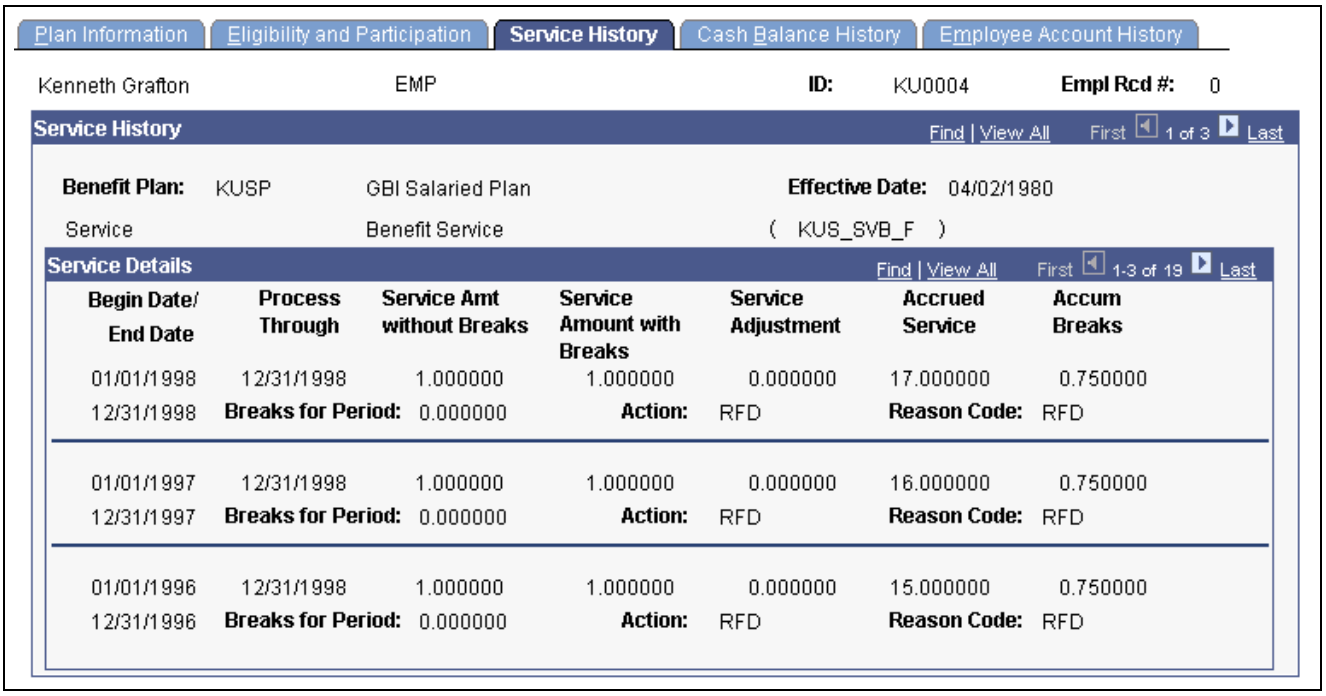
Eligibility History Displays the eligibility history when an employee moves in and out of eligibility.

Participation History Displays a single row. If an employee with an accrued benefit leaves the company or becomes ineligible to accrue additional benefits, that person is still owed a benefit and is still considered an active plan participant. Because participation requirements are typically age and service, employees cannot lose their participation status except by losing prerequisite service credit.

Viewing Service History

Access the Service History page.

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Service History page

Benefit Plan Displays the ID and name of the benefit plan that identifies the rules used to generate the history.

Effective Date Displays the date of hire—or, if you entered startup service data, the startup as of date. The effective date identifies the rules used to generate the history. If a plan uses several sets of service rules, scroll to see each one.

Service Displays the name and description of the Service component, which identify the rules used to generate the history.

Process Through Indicates when you ran the periodic processing job that calculated the service history.

Service Amt without Breaks (service amount without breaks) Indicates how much service the employee earned during the period, based on the service definition only.

Service Amount with Breaks Indicates how much of the original service for the period is used, after considering break rules and other reasons for forfeiture.

Service Adjustment Indicates adjustments on the Service Adjustments page for the period. You can manually enter adjustments, or the system can automatically generate adjustments based on a withdrawal of contributions, service buyback activity (repayment of contributions), or service purchase activity.

Accrued Service Indicates how much service the employee has accumulated as of the end of the period. This is based on the previous accrued service amount and the activity (including adjustments) for the current period.

Accum Breaks (accumulated breaks) Indicates how many consecutive break periods the employee has accumulated.

Breaks for Period Indicates whether the period counted toward a break in service.

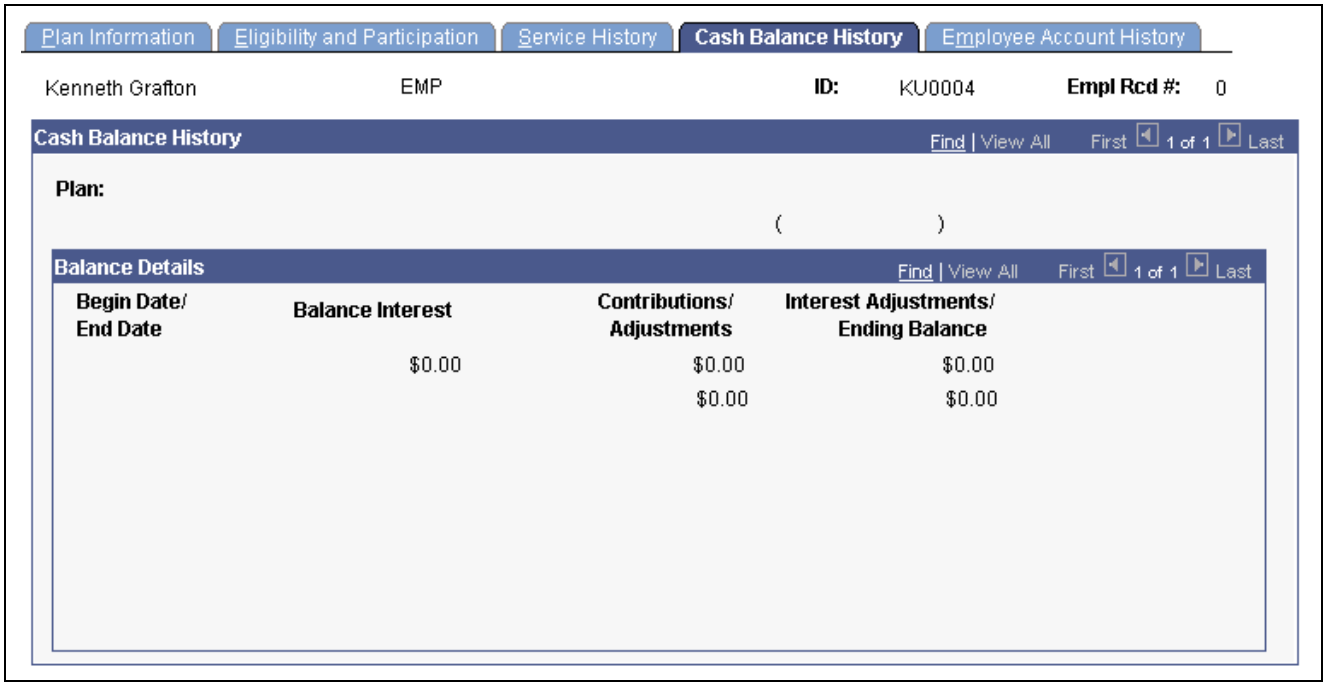
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See Also

Chapter 56, “Administering Contributory Plans,” page 605

Viewing Cash Balance History

Access the Cash Balance History page.



Cash Balance History page

Plan and **Cash Balance Accounts**
Displays the plan and the name and description of the cash balance account, both of which identify the rules used to generate the history. If the plan maintains multiple accounts in a plan, scroll to see each one.

Begin Date/End Date
The history includes only complete periods; partial period credits applied during a calculation do not become part of the permanent history.

Balance Interest
Displays the total earned during the period (the sum of interest on the prior balance and interest on contributions made during the period).

Contributions/Adjustments and **Interest Adjustments/Ending Balance**
Contributions displays the non-interest credits applied to the account during the period.

Adjustments and Interest Adjustments display additional credits and interest that should be applied during the period, based on manual adjustments on the Cash Bal Adjustments page.

Ending Balance displays the total accumulation as of the end of the period. This is the total of the ending balance from the prior period and all additional amounts credited during the current period.

See Also

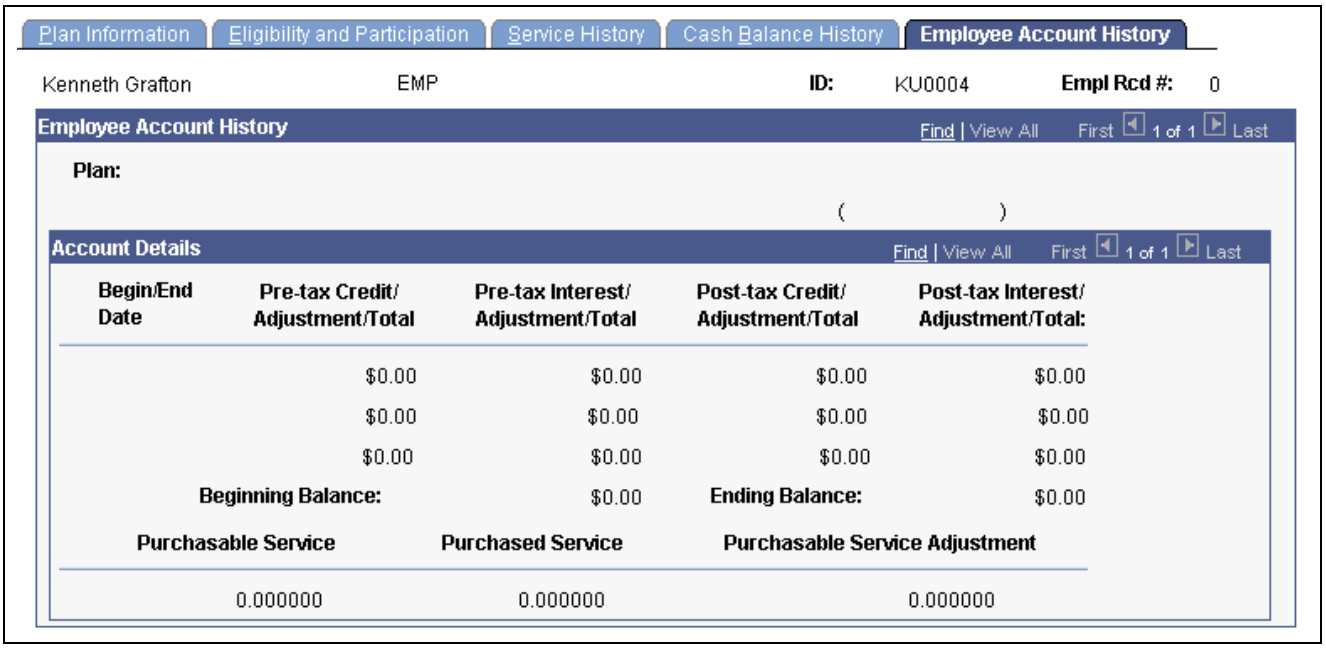
Chapter 56, “Administering Contributory Plans,” page 605

Chapter 51, “Maintaining Employee Pension Data,” Adjusting Cash Balance Accounts, page 498

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Viewing Employee Account History

Access the Employee Account History page.



Employee Account History page

Plan and **Employee Accounts**

Displays the plan and the name and description of the employee account, both of which identify the rules used to generate the history. If you maintain multiple balances in a plan, scroll to see each one. For example, you may offer service buyback or service purchase programs, or track activity through withdrawal, repayment, and purchase subaccounts that roll up to the plan's main employee contributory account. In this case, scroll to see the activity in each of the accounts and subaccounts.

Begin/End Date

When you run periodic processes, the employee accounts function applies contributions and interest for complete accumulation periods only. Therefore, there is no process through date. When you run a calculation, partial period credits are applied, but those results do not become part of the permanent history.

Note. Do not process employee accounts beyond the event date. If you do, the post-event date accruals are included in the calculations final account balance, and this is meant to be the balance at the event date.

The account keeps separate accumulations for pretax and posttax contributions. Each accumulation tracks contributions (also called credits), interest, and adjustments to the contributions or interest.

Warning! With this scheme, posttax interest is interest on posttax contributions; the interest itself has not yet been taxed.

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Pre-Tax Credit/Adjustment/Total, Pre-Tax Interest/Adjustment/Total, Post-tax Credit/Adjustment/Total and **Post-Tax Interest/Adjustment/Total**

In each of these columns, the first value is the credit or interest for the period.

The second value is the portion of the credit determined by adjustments. Adjustments can come from two places:

- You can manually enter adjustments using the pages used to maintain employee plan data.
- If you maintain withdrawal subaccounts (for tracking repayment of withdrawn contributions) or service purchase subaccounts (for tracking extra payments made to purchase additional service), activity in these accounts automatically generates adjustments to the parent account (that is, the plan's main contributory account).

The third value is the running balance after adding credits for the period to the prior balance.

Note. In a withdrawal subaccount, amounts withdrawn appear as negative values. As an employee repays the contributions, the negative balance approaches zero.

A service purchase subaccount displays a negative balance to show the amount that an employee needs to pay into the plan. However, in this case, the initial debt is based on the plan administrator's determination of the price of the service being purchased.

Beginning Balance and **Ending Balance**

Display the total value of the account (the sum of all pretax and posttax contributions and interest).

Purchasable Service

Displays the service that an employee can get if the employee repays previously withdrawn contributions or sets up a service purchase arrangement. The value is the remaining amount of purchasable service at the end of the period. The value is zero until either a contribution, withdrawal, or service purchase arrangement establishes an initial amount of purchasable service. As the service is restored, which can be all at once or gradually, the purchasable service amount is reduced.

For example, if Lucia withdraws 2,000 USD of contributions and thus forfeits three years of service, the withdrawal account has an ending balance of -2,000 USD and a purchasable service amount of 3.000000. The adjustment to the account balance rolls up to the plan's main contributory account, but the purchasable service does not. Therefore, the main contributory account still displays zero purchasable service.

For a service purchase arrangement, a plan administrator must establish the initial amount of purchasable service and enter it (and the monetary amount necessary to purchase the service) on the Employee Account Adjustments page.

Purchased Service

Displays the service that was restored during the period, as defined by the Begin/End Date fields.

Purchasable Service Adjustment

Displays manual adjustments made to purchasable service during the period. For example, if you set up a service purchase program incorrectly and must change the amount of purchasable service, enter a manual adjustment on the Employee Account Adjustments page. During the next periodic processing, the purchasable service is adjusted by that amount, and the results for the

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period display both the adjustment amount in this field and the adjusted amount in the Purchasable Service field.

Viewing Service Buyback and Purchase Information

Sometimes activity in an employee account affects service. This happens in one of three ways:

- The employee withdraws contributions and forfeits the corresponding service. This typically occurs at termination.
- The employee repays the withdrawn contributions and buys back the service originally forfeited. This typically occurs after a rehire.
- The employee makes contributions for times when he or she was not accruing service and thus purchases service credit for that time. The purchased service period is typically time when an employee was employed but not eligible for the plan. Plans might also enable service purchase for time spent on military leave or other qualified leaves.

The Employee Account History page contains three fields for tracking the effect of the employee account activity on service: Purchasable Service, Purchased Service, and Purchasable Service Adjustment.

Note. These fields apply only to withdrawal and service purchase subaccounts. Although the monetary activity in these accounts rolls up to the plan's main contributory account, the service information does not.

See Also

Chapter 6, "Understanding Pension Plans," page 37

Chapter 51, "Maintaining Employee Pension Data," Maintaining Employee Plan Data, page 497

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CHAPTER 49

Loading Employee Data

This chapter provides an overview of the loading of historical data and discusses how to:

- Plan your data conversion.
- Load personal and job data.
- Load payroll data.
- Load service data.
- Load account data.
- Move data to a standalone system.

Understanding the Loading of Historical Data

To use Pension Administration, you must load historical data from an employee's entire career into PeopleSoft tables. You must do this even are already using PeopleSoft Enterprise HRMS.

You must move two types of historical employee data into Pension Administration:

- General information that is not specific to a pension plan, including descriptive data about employees, their job histories, and their beneficiaries.
- Plan-specific information that consists of values for plan components that are calculated according to plan rules. This category includes service accruals, cash balance accounts, and employee contributory accounts. The tables that hold this data are always keyed to a plan and function result.

Payroll data can go into either category. If you load raw payroll information (such as earnings, hours, and contributions), Pension Administration can consolidate that data using consolidation rules that you define. Alternatively, you can load data that you have already consolidated.

Planning Your Data Conversion

This section provides an overview of history data and discusses how to:

- Protect history data.
- Identify the data that you need.

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Understanding History Data

History is the period-by-period data produced during periodic processing. Periodic processing produces history for the following functions:

Accrual Functions	Consolidations Functions
Service	Consolidated earnings
Cash balance accounts	Consolidated hours
Employee accounts	Consolidated contributions

You can view and modify history for the consolidations functions on the pages in the Review Consolidation Results (CONS_HOURS_HIST) component.

You can view history for the accrual functions on the pages in the Review Plan History (PLAN_HISTORY) component.

The history for the accrual functions includes balances for the end of each period. The balances are the accumulation of credits across periods. The consolidation functions do not need balances.

When working with accruals, you can avoid loading the entire period-by-period history and instead load startup balances. A startup balance is the accrual as of a date that you specify.

History data is always loaded into tables that are specific to functions. Startup balances are always loaded into the PA _STRTUP_HISTO table.

See Also

Chapter 51, “Maintaining Employee Pension Data,” page 493

Chapter 48, “Viewing Employee Data,” page 459

Protecting History Data

Periodic processing has two modes:

- Normal mode.

  In Normal mode, the system adds new history to the existing rows.

- Delete and Rebuild mode.

  In Delete and Rebuild mode, the system deletes all existing history and recalculates data throughout the employee’s entire career. This can be useful in certain situations. For example, if you discover a problem with your calculation rules, you can correct the rules and recalculate everything at once.

  However, Delete and Rebuild mode is risky. If you load history data as part of your data conversion, the system does not have the source data to replace those rows. For example, if you load consolidated earnings but not the raw payroll data that was the source for the consolidated data, the system removes the consolidated data and cannot recreate it because of the missing source data.

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Warning! If you load history for a function, take security measures to ensure that people do not have access to the Delete and Rebuild mode during periodic processing.

The service function always runs in Delete and Rebuild mode. This is necessary because ongoing events affect past service accruals. For example, previously accrued service can be forfeited after a break in service. Never load history for service. Always use startup values or load the job history that is the source data for the service calculation. If you load service history instead of the actual job history (hires and terminations, leaves and returns, and other relevant events), the entire history disappears the first time that you run the service function during periodic processing. The lack of a complete job history compromises the system's ability to produce accurate service information.

Identifying the Data That You Need

Raw payroll data is used in consolidated data. Consolidated data is used in various functions, including service, cash balance accounts, and employee accounts. The consolidated earnings history also supports final average earnings and social security calculations.

Loading both raw payroll data and consolidated payroll history is redundant. Similarly, loading both consolidated contributions history and a startup balance for employee accounts is redundant. The system never uses the consolidated contributions information before the as of date for the employee accounts starting balance.

When planning your data conversion, you can decide which data to load. Payroll data offers the greatest level of detail and thus increases flexibility for recalculation. Starting balances provide the least amount of detail and flexibility. Consolidated data is in between the two.

When you use consolidated earnings for final average earnings or social security, you cannot use startup balances. In these cases, you must use raw payroll data or consolidated data.

Loading Personal and Job Data

Personal and job data that is unrelated to a plan belongs in PeopleSoft Enterprise Human Resources and the Manage Base Benefits business process records.

Conduct your own analysis to determine the data that your plans require. You might use the following tables:

Table	Notable Fields	Comments
PERSONAL_DATA	Employee ID, Name, Birth Date, Sex, Marital Status	Assign an employee ID and provide indicative and biographical data. You load this table first because all employee IDs are edited using this table.

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Table	Notable Fields	Comments
JOB	Company, Department, Location, Job, Action/Reason, Employee Type, Employee Status, Employee Class, Regular/Temporary, Compensation Rate	Many of these fields are important for plan eligibility. This data is effective-dated. Load historical data for the employee's entire career. The action and reason history is important for calculating service and generating earnings and hours.
DEPENDENT_BENEF	Name, Sex, Relationship to Employee, Spouse's Birth Date	Identify employees' dependents and beneficiaries.

Loading Payroll Data

This section provides an overview of payroll data and discusses how to:

- Determine how much historical payroll data you need.
- Load raw data.
- Load consolidated data.

Understanding Payroll Data

You can load payroll data in one of two forms:

- Raw data about earnings, hours, and contributions that Pension Administration can consolidate.
- Already-consolidated data.

The advantage of loading raw data is that the system performs your consolidations. For example, if an employee in Plan A transfers to Plan B and Plan B needs earnings data that predates the transfer, Plan B cannot use the consolidated data from Plan A. If the raw data is in the system, you can easily use the Plan B consolidation rules. Loading raw data is also advantageous if you make a correction to your method of consolidating the data.

The system does not use raw data during calculations. Data must be consolidated for the system to recognize the information.

If you currently store your payroll data as consolidated amounts, it might be more efficient to load consolidated data.

Determining How Much Historical Payroll Data You Need

Load *earnings* data for use with the final average earnings (FAE), cash balance accounts, and social security functions.

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- For final average earnings, you must load earnings history only as far back as the FAE function checks. For example, if your FAE definition uses only the final five consecutive earnings periods, load only those periods—or a few more, if there's a possibility that some periods might be ignored.
- For cash balance accounts, if you load a startup balance, do not load earnings history for periods before the startup balance as of date.
- For social security, if you estimate career earnings based on the current and prior periods only, do not load more than those two rows of earnings data.

Load *hours* data for use with the service function, but only for hours counting methods. If you load a startup service balance, do not load hours data for the periods before the startup as of date.

Load *contributions* data for use with the employee accounts function. If you load a startup balance for your employee account, do not load contribution data for the periods before the startup balance as of date.

Loading Raw Data

Raw payroll data resides in two places:

- Payroll tables, which are populated by PeopleSoft Enterprise Payroll for North America.
- A set of pension clones, where you can archive the data to protect it from the periodic purging to which the payroll tables are subject.

If you load raw payroll data, do not put the data in the Payroll for North America tables. These tables are managed by Payroll for North America, not by Pension Administration, and they are subject to periodic purging. Instead, load the data into the Pension Administration clones.

During consolidations, Pension Administration first checks the Payroll for North America tables. If those tables do not contain data for the period being consolidated, the system checks the pension clone tables. If the system finds data in the clone tables, it ignores data in the source tables. The system does not compare the data in the two tables; after it determines which tables to use, it ignores the others. If neither set of tables contains data, the consolidation displays zero earnings, hours, or contributions for the period.

Periodic processing enables you to copy data from payroll tables to the pension clones for archiving. In Payroll for North America, you use this process to archive raw data on an ongoing basis.

The data that you need depends on your consolidation definition. For example, if you consolidate hours based on W-2 earnings (which requires you to provide an earnings-to-hours divisor), you need data from the W2_AMOUNTS table.

Note. Consolidated earnings and hours both require PAY_CHECK data as the source of the consolidation *accumulate based on date* (the earned date, payroll end date, or paycheck date, depending on your consolidation definition).

Original Payroll Table	Pension Clone	Used For
PAY_EARNINGS	PA_HST_PAY_EARN	Earnings, Hours
PAY_OTH_EARNS	PA_HST_OTH_EARN	Earnings, Hours
PAY_SPCL_EARNS	PA_HST_SPL_EARN	Earnings, Hours

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Original Payroll Table	Pension Clone	Used For
PAY_CHECK	PA_HST_PAY_CHK	Earnings, Hours
W2_AMOUNTS	PA_HST_W2_AMTS	Earnings, Hours
EARNINGS_BAL	PA_HST_EARN_BAL	Earnings, Hours
PAY_DEDUCTIONS	PA_HST_PAY_DED	Contributions

Loading Consolidated Data

Rather than loading raw payroll data into the system, you might load consolidated amounts. In this case, study the tables where the consolidation processes store their results so that the data you load is consistent with the data that the system's consolidation processes might create. The following tables contain consolidated data:

Consolidation Function	Table
Consolidated earnings	PA_CONS_ARRAY
Consolidated hours	PA_CONS_HRS_AY
Consolidated contributions	PA_CONS_DED_AY

Note. When you load consolidated data, the period start and end dates should reflect full periods. For example, if you consolidate by calendar year, the first row for an employee hired in 2001 is dated January 1, 2001, regardless of the actual hire date. (This differs from the way in which the service and account history functions treat the first period.) Use the partial period fraction to indicate the portion of the period that is active.

Loading Service Data

Periodic processing normally adds to existing history data. The service function is unique because it rebuilds an employee's entire history every time it is processed.

Because of this, *never* load service history as part of the data conversion. You can:

- Load the job history and the hours data used to calculate service. If you load hours data, you can load either raw hours data or consolidated hours data.
- Load startup balances for all your employees.

Startup data consists of two parts:

- Startup amount
- As of date

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The as of date is critical because the service function calculates service only from that date forward. The system adds the startup amount to the calculated amount to determine the total service. During periodic processing, the Delete and Rebuild component of the service function applies only to the calculated amount; the startup amount remains untouched.

An employee's startup date must not be earlier than the employee's hire date. Otherwise, the system checks for data for the time period between the startup date and the hire date, and, if no data is available, generates an error.

Warning! Do not load service history during the data conversion. Periodic processing deletes it.

Loading Account Data

Cash balance accounts are based on consolidated earnings. Employee accounts are based on consolidated contributions. To load account accruals, you can:

- Load the raw payroll earnings or contribution data. The system consolidates the data and uses the consolidations to build the account.
- Load consolidated earnings or contribution data.
- Load startup balances for the accounts.

Payroll data offers the greatest level of detail and thus increases flexibility for recalculation. Starting balances provide the least amount of detail and flexibility.

If you load history, load data into the following tables:

Function	Table
Cash balance accounts	PA_ACCUMS
Employee accounts	PA_EACCT_ACCUM

The first period in the account history must not have a start date before the initial hire date. For example, if an employee is hired on July 15, 2005, this is the start date of the first period, even if the period is regularly a calendar year. This differs from consolidations, which always start with the normal beginning day of the period.

If you load startup balances, enter a total accumulation and a startup date. You can also provide a credit and interest breakdown of the amount to use as the basis for the running subtotals that the function keeps. For employee accounts, also enter the pretax and posttax breakdown.

As you load account histories, remember:

- If an employee enters a plan in the middle of a period, the period begin date is the plan entry date. For example, if the period is a calendar year and Rose enters the plan on July 1, 2005, the period begin date is July 1, 2005.
- The history must be uninterrupted. Even after an employee leaves a plan, there are rows with interest credits only.

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Moving Data to a Standalone System

When you use HRMS, your data is automatically accessible to Pension Administration. Personal and dependent data, payroll data (hours, earnings, and contributions), and action and reason histories are all present. If you modify the database and must retrieve data from a field that you created, a database alias can retrieve that information.

When you use Pension Administration as a standalone system, you also install portions of other PeopleSoft Enterprise applications. Tables and pages for Human Resources, Benefits Administration, and Payroll for North America systems are included in the standalone Pension Administration. However, you do not have the processing modules for these applications. Although you can store and retrieve data, you do not have other functionality offered in these applications.

If you use Pension Administration as a standalone system, you probably have another human resources system. You must transfer data from that system to the HRMS tables. Although everyone should transfer certain information, such as date of birth and date of hire, most of the data that you transfer depends on the data needed for your plan.

Load external data at the time that you run a calculation to ensure that the most current data is available. To load external data for every employee and every calculation, put a user code module directly into the calculation jobstream. If you must load external data only occasionally, use the check box on the calculation page to indicate whether to run the load process.

Alternatively, you can periodically transfer data to Pension Administration so that you do not have to load data at calculation time.

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CHAPTER 50

Configuring Calculations

This section provides an overview of calculation configuration and discusses how to:

- Call user code.
- Configure individual user code modules.

Understanding Calculation Configuration

This section provides overviews of:

- User code usage
- User code executables
- User code module names

User Code Usage

Pension Administration provides a flexible and comprehensive set of calculation options. However, you might need to configure calculation components to exactly conform to your plan rules.

Although configurations enable you to control the system, they can complicate system maintenance, particularly upgrades. Any time that you receive new code from PeopleSoft, you must ensure that the new code does not overlay the configurations that you have instituted.

Because of the potential maintenance issues, the best way to manage your configuration is to isolate your custom code. You must still analyze the effect of PeopleSoft code changes on your configured code, but keeping the PeopleSoft code and your custom code separate makes it easier to reapply configurations after an upgrade.

To help you isolate your modifications, PeopleSoft provides clearly marked user code exit points on many of the system's parameter pages. Each of these represents a specifically defined portion of one of the system's delivered functions. When you select the user code option, the calculation runs the configured COBOL module that derives the expected value.

Note. This section discusses user code modules that are associated with the system's core functions. You can also create user code modules that are not associated with core functions. To incorporate these independent user code modules into the calculation, enter them directly on the Plan Implementation page.

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User Code Executables

Each component that offers user code options is associated with a single user code executable—with one exception: All service and break components share a single executable. The system predefines the executable name for a component. All custom processing for a function belongs in the module associated with that function.

To set up multiple definitions with separate modifications, ensure that your code includes logic that checks the definition name to determine the appropriate processing.

If a function has multiple user code points, the delivered user code module already has subsections for the different points. When Pension Administration calls the user code module, the main section performs the appropriate user code subsection, based on the point from which the user code was called.

In all cases, your module must pass back the appropriate values, based on the user code options that are selected.

User Code Module Names

A calculation calls the following modules when it recognizes that a user code option has been selected. Each of these modules is delivered as an empty shell that you can modify. User code modules names begin with *PAPX,* followed by characters to identify the individual function.

None of the aliases (the components on the Variables menu) employs user code options.

Function	User Code Module Name
Consolidated earnings	PAPXCERN
Consolidated hours	PAPXCHRS
Service	PAPXSVC
Vesting	PAPXVEST
Final average earnings	PAPXAERN
Cash balance accounts	PAPXABAL
Early and late retirement factors	PAPXAGE
Death coverage factors	PAPXDTH
Optional forms of payment	PAPXOPTF
415 limits	PAPX415

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Rules	User Code Module Name
Date conversion options, date round options, and duration options	PAPXDTGN
Actuarial assumptions	PAPXCMFN
401(a)(17) parameters	PAPXELMT

The following functions and rules do not include user code options:

- Plan eligibility.
- Participation.
- Retirement eligibility.
- Employee accounts.
- Social security primary insurance amount (PIA).
- Covered compensation.
- Benefit formula.
- Employee-paid benefit.
- Consolidated contributions.
- Interest methods.
- Projections.
- Human Resources (HR) action and reason categories.

Calling User Code

Several functions have parameters that you can mark for custom processing by selecting the User Code in the Zero Options field for a portion of the calculation.

Anywhere that this user code option appears, you can select it to have the system run your configured code to perform that part of the processing.

Two user code options are different:

- On the Plan Implementation page, you can insert user code modules directly into the calculation jobstream.

  This type of user code module is not associated with the system's core functions. It is a custom core function that you develop yourself. You set up this type of user code to access values from earlier in the jobstream. To make the results of the user code available later in the jobstream, the user code must create an entry in the alias table so that other calculation components can reference the results by the alias name.
- In the Define Calculation (CALCULATE_PENSION) component, a check box for loading external employee data is a user code option because you must write your own data loading procedure.

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See Also

Chapter 42, “Creating the Plan Implementation and Plan Aliases,” Creating a Plan Implementation, page 363

Chapter 46, “Calculating Pension Benefits,” page 405

Configuring Individual User Code Modules

This section provides overviews of user code modules and the information in this section and discusses how to configure user code modules.

Understanding User Code Modules

Although each function uses only one user code module, that code can cover many different situations. Sometimes, the code completes all of the processing without referencing parameters. Sometimes, the code performs one small part of the processing and provides a method or an intermediate value for the function.

Pension Administration expects that the modules perform processing only for the user code options that are selected on the parameter pages.

Understanding the Information in This Section

This section includes summary tables for the system components that have user code options on the parameter pages. These tables include the following information:

- User Code Option: The user code option that appears on the system component’s parameter page. For example, the Add Periods Rules page contains the user code option Adjustment Rule, which is used in configuring service.
- Description: What the function expects the user code to produce.

This section is organized by function and page.

Configuring Service

The following pages appear for add period rules and hours equivalence rules definitions:

Add Periods Rules

This page appears only for elapsed time and hours equivalence definitions.

User Code Option	Description
Adjustment Rule	Returns the adjusted effective date for the specified action and reason.

Hours Equivalence Rules

This page appears only for hours equivalence definitions.

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User Code Option	Description
Hours Equivalence Type and Customized Equivalence Rules	Return the number of hours in a period.

See Also

Chapter 15, "Counting Periods of Service," Setting Up Elapsed Time Service, page 106

Chapter 15, "Counting Periods of Service," Setting Up Hours Counting Service, page 120

Chapter 15, "Counting Periods of Service," Setting Up Hours Equivalence Service, page 130

Configuring Break

The following pages appear for break restore rules and break wait rules:

Break Restore Rules

User Code Option	Description
Break Defined By	Sets break for every period in the service history.

Break Wait Rules

User Code Option	Description
One Year Wait and Elapsed Time	Return *Y* (service is restored) or *N*.

See Also

Chapter 14, "Defining Service and Break Rules," page 99

Configuring Vesting

The following pages appear for add period and hours equivalence rules definitions:

Vesting Schedule Page

User Code Option	Description
Schedule Type	Returns the vesting percentage for the schedule. This percentage is still compared to results from other schedules, and it is still subject to the full vesting and forfeiture conditions on the Vesting Conditions page.

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Vesting Conditions Page

User Code Option	Description
Full Vesting Conditions	Returns *Y* or *N*. If the value is *Y,* the final vesting is 100 percent.
Forfeiture Conditions	Returns *Y* or *N*. If the value is *N,* the final vesting is 0 percent.

See Also

Chapter 16, “Defining Vesting Rules,” page 135

Configuring Final Average Earnings

To configure final average earnings:

Parameters 2 of 2 Page

User Code Option	Description
Partial Period Options and Final Period Options	Return two parameters for each partial period in the history: *Y* or *N* to determine whether a period is included in the total. If the value is *Y,* return an earnings amount.
Limit Options - Before Averaging	Returns the limited amount for each period in the history.
Limit Options - While Averaging and Short Service Options	Return the final average earnings amount.
Zeros	Returns the earnings amount for each zero period in the history.

See Also

Chapter 18, “Defining Final Average Earnings,” page 147

Configuring Cash Balance Accounts

To configure cash balance accounts:

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Cash Balance 2 of 3 Page

User Code Option	Description
Calculate Credit According To..	Returns a credit amount for each period, still subject to minimums, maximums, and partial period rules.
Step Rate Threshold	Returns the earnings amount.
Subject to Minimum	Returns the minimum credit amount that is applied to each period.
Subject to Maximum	Returns the maximum credit amount that is applied to each period.

Cash Balance 3 of 3 Page

User Code Option	Description
Partial/Mini Period Rules	Returns the credit amount for each partial period in the history.

See Also

Chapter 19, “Defining Cash Balance Accounts,” page 155

Configuring Early and Late Retirement Factors

To configure early and late retirement factors:

Parameters Page

User Code Option	Description
Subadjustment Method	Returns the adjustment factor. You can use it, or you can disregard the employee and beneficiary from and to ages on the Actuarial Equivalence Method page.

Actuarial Equivalence Method Page

User Code Option	Description
Employee From Age, Employee To Age, Beneficiary From Age, and Beneficiary To Age	Returns the age.

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Arithmetic Method 1 of 2

User Code Option	Description
Number of Adjustment Periods	Returns the number of periods used as the basis for the arithmetic adjustment.

See Also

Chapter 23, "Defining Early and Late Retirement Factors," page 183

Configuring Death Coverage

To configure death coverage:

General Parameters Page

User Code Option	Description
Calculate Reduction Using	Provides the final adjustment factor.
Apply Table-Defined Schedule	Provides the final adjustment factor, using values provided by the specified table.

Define Fixed Period Page

User Code Option	Description
Determine Fixed Period Length	Returns the number of periods that the arithmetic rule uses to determine the factor.

See Also

Chapter 24, "Defining Death Coverage Reductions," page 193

Configuring Optional Forms of Payment

To configure optional forms of payment:

General Parameters Page

User Code Option	Description
Non-Taxable Amount Calculation	Returns the nontaxable portion of the payment for each form in the formset.

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Forms Definitions Page

User Code Option	Description
Conversion Method	Returns the factor for converting to the optional form of payment.

Lump Sum Parameters 2 of 2 Page

User Code Option	Description
Use Alternate Assumption Set	Returns the factor for converting to alternate lump sum amount.
Lump Sum Not Available	Returns *Y* or *N*. If value is *N,* the payment option does not appear in the calculation results.

See Also

Chapter 27, "Defining Optional Forms of Payment," page 215

Configuring Consolidated Earnings

To configure consolidated earnings:

Generate Earnings Page

User Code Option	Description
Generation Method for Action Reason and Generation Method for Custom Statement	Return the earnings amount for the period. This amount is still subject to minimums or maximums.

Earnings Adjustments Page

User Code Option	Description
Adjustment Method - Term	Returns the earnings amount to replace earnings from the termination period.
Adjustment Method - Hire	Returns the earnings amount to replace earnings from the hire period.

See Also

Chapter 11, "Consolidating Payroll Data," page 61

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Configuring Consolidated Hours

To configure consolidated hours:

Generate Hours Page

User Code Option	Description
Generation Method for Action Reason and Generation Method for Custom Statement	Return the earnings amount for the period. This amount is still subject to minimums or maximums.

Define Hours Adjustments Page

User Code Option	Description
Adjustment Method - Term	Returns the hours amount to replace hours from the termination period.
Adjustment Method - Hire	Returns the hours amount to replace hours from the hire period.

See Also

Chapter 11, “Consolidating Payroll Data,” page 61

Configuring Duration Options

To configure duration options:

Calculation Options Page

User Code Option	Description
Date Math Method	Uses the two date end points and returns a decimal date. If this option is used on the Duration Definition page, the duration utility converts this date to the six other formats.

Conversion Options Page

User Code Option	Definition
Decimal Conversion Method	Uses a raw duration and returns a decimal value.

See Also

Chapter 32, “Using Duration Aliases and Duration Options,” page 277

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Configuring Date Rounding Options

To configure date rounding options:

Date Round Option Page

User Code Option	Description
Date Type	Uses the date to which the method is applied (raw or decimal) and returns a rounded value.

See Also

Chapter 31, "Using Date Aliases and Date Options," page 267

Configuring Date Conversion Options

To configure date conversion options:

Date Conversion Option Page

User Code Option	Description
Extract	Returns a custom value based on a raw date.
Conversion Method	Uses the date to which the method is applied (raw or decimal) and returns a converted value.

See Also

Chapter 31, "Using Date Aliases and Date Options," page 267

Configuring Actuarial Assumptions

To configure actuarial assumptions:

Interest Basis Page

User Code Option	Description
Interest Basis	Returns an interest rate.

See Also

Chapter 36, "Using Actuarial Assumptions," page 315

Configuring Interest Methods

To configure interest methods:

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Interest Method 1 of 2 Page

User Code Option	Description
Interest Rate Method	Returns an interest rate.

Interest Method 2 of 2 Page

User Code Option	Description
Full Period Technique	Returns an interest credit for all full periods to which the rule is applied.
Partial Period Technique	Returns an interest credit for all partial periods to which the rule is applied.

See Also

Chapter 37, “Using Interest Methods,” page 325

Configuring 401(a)(17) Parameters

To configure 401(a)(17) parameters:

401(a)(17) Parameters Page

User Code Option	Description
Earnings are Limited on and Carry Back Limits	Returns a limited earnings amount for each period to which the rule is applied.

See Also

Chapter 38, “Applying Section 401(a)(17) Earnings Limits,” page 329

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CHAPTER 51

Maintaining Employee Pension Data

This chapter provides an overview of pension status codes and discusses how to:

- Maintain pension status codes.
- Maintain employee plan data.
- Maintain consolidated payroll data.
- Maintain employee regulatory data.
- Maintain pension beneficiary data.

Understanding Pension Status Codes

This section provides overviews of:

- Pension status code usage.
- Pension status code maintenance.
- Pension status code usage in calculations.

Pension Status Code Usage

Pension status codes categorize participants based on pension-related information. Pension status codes are plan specific and effective-dated, enabling you to track an employee's changing status in a plan over time. These statuses are the foundation for your actuarial valuation extract and Form 5500 reporting.

A pension status code describes a plan participant using a three-character code. The first character indicates the payee type:

- A: Active employee.
- T: Terminated employee.
- R: Retired employee.
- D: Disability retiree (employee with a disability pension).
- B: Beneficiary.
- Q: Qualified Domestic Relations Order (QDRO) alternate payee.
- X: Deceased participant.

The second and third characters indicate the payment status:

- DF: Deferred payments.
- PY: Receiving payments (the payee is currently receiving payments).

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- ST: Stopped payments.

Pension Status Code Maintenance

The following table describes how pension status codes are maintained:

Description	How Maintained	Statuses Included
Active and terminated employees.	Periodic processing assigns codes based on criteria that you define.	ANP: Active, not yet participating. APR: Active participant. AVS: Active, accrue vesting only. ANS: Active, not accruing service. A70: Active, over age 70 1/2. TNV: Terminated, not vested. TDF: Terminated, deferred benefit.

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Description	How Maintained	Statuses Included
Participants who are awaiting their first payment (retirees, beneficiaries, and QDRO alternate payees) and dead participants.	Manually assign the status based on when specified events occur.	RDF: Retired, deferred benefit. DDF: Disability retired, deferred benefit. BDF: Beneficiary, deferred benefit. QDF: QDRO payee, deferred benefit. XBP: Deceased, with beneficiary. XNB: Deceased, no benefit or beneficiary.
Participants who have started receiving payments.	The payment process automatically assigns codes based on the payment instructions.	TST: Terminated, payment complete. TPY: Terminated, in pay status. TDF: Terminated, deferred benefit. RST: Retired, payment complete. RPY: Retired, in pay status. RDF: Retired, deferred benefit. DST: Disability retired, payment complete. DPY: Disability retired, in pay status. DDF: Disability retired, deferred benefit. BST: Beneficiary, payment complete. BPY: Beneficiary, in pay status. BDF: Beneficiary, deferred benefit. QST: QDRO payee, payment complete. QPY: QDRO payee, in pay status. QDF: QDRO payee, deferred benefit.

The five deferred benefit statuses (TDF, RDF, DDF, BDF, and QDF) are sometimes maintained manually and sometimes automatically:

- Set these manually (or using periodic processing for TDF) at the time that you create the payee records in preparation for the first pension payments.
- If payments are later suspended, the payment process automatically reassigns the deferred benefit status.

Pension Status Code Usage in Calculations

Depending on how you set up your calculation rules, the pension status might be used in a calculation. For example, service might accrue while an employee has an active pension status, but not when the employee has a terminated pension status.

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See Also

Chapter 45, “Running Periodic Processes,” page 389

Chapter 54, “Making Pension Payments,” Creating Retiree Payments, page 558

Maintaining Pension Status Codes

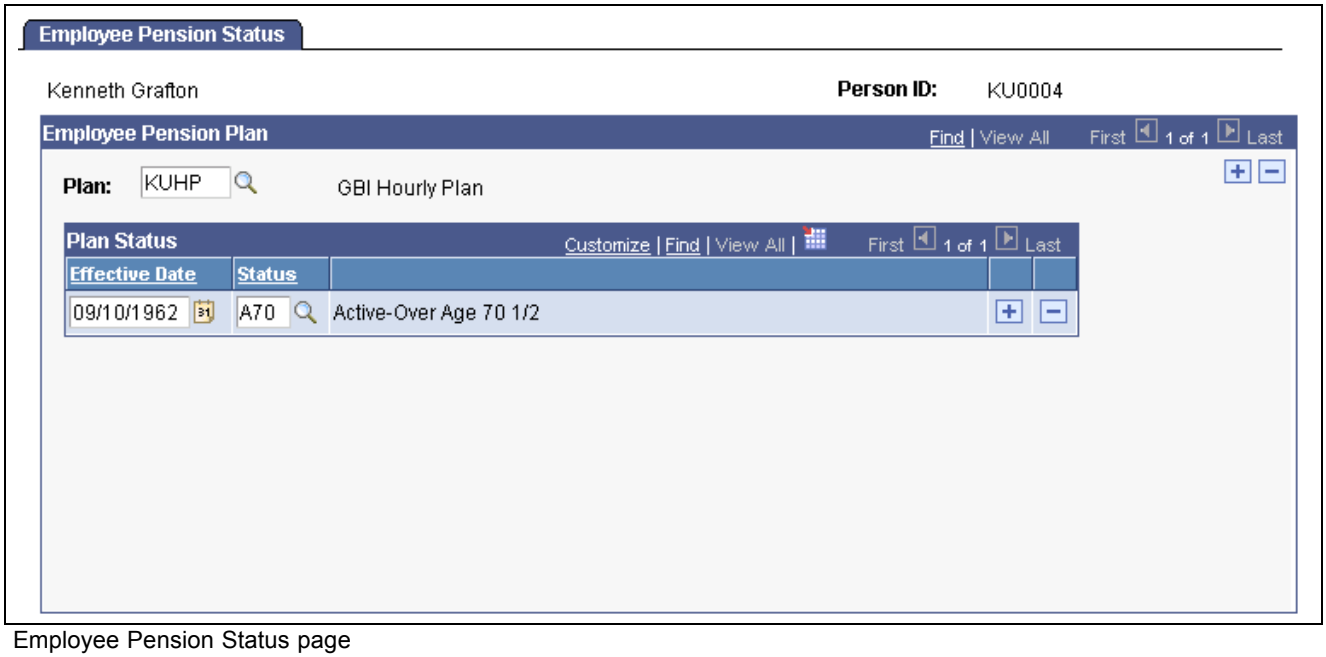
This section lists the page used to review and maintain pension status codes and discusses how to review and modify pension status.

Page Used to Review and Maintain Pension Status Codes

Page Name	Object Name	Navigation	Usage
Employee Pension Status	PA_RT_EMP_STAT	Pension, Pension Information, Identify Pension Status, Employee Pension Status	Review an employee’s pension status history or manually change the pension status when an employee or payee dies or when you’re preparing to start payments.

Reviewing and Modifying Pension Status

Access the Employee Pension Status page.



Employee Pension Status page

Status If an employee or pension payee dies, select either:

- *XBP: Deceased-With Beneficiary.*
- *XNB: Deceased-No Benefit/Beneficiary.*

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If you're preparing to pay a retiree, beneficiary, or QDRO alternate payee, select one of the following:

- *RDF: Retired-Deferred Benefit.*
- *DDF: Disability Retire-Deferred.*
- *BDF: Beneficiary-Deferred Benefit.*
- *QDF: Alt Payee-Deferred Benefit* (alternate payee, deferred benefit).

See Also

Chapter 52, "Establishing Pension Payees," Defining Payee Cross-References, page 530

Chapter 55, "Administering Pension Payees," Updating Pension Status When a Retiree Dies, page 599

Maintaining Employee Plan Data

This section provides an overview of employee plan data, lists the common element used in this section and the pages used to maintain employee data, and discusses how to:

- Adjust cash balance accounts.
- Adjust contributory accounts.
- Maintain employee minimum benefit data.
- Adjust calculated service credit.
- View and update startup values.
- Maintain preretirement survivor annuity (PRSA) coverage history.

Understanding Employee Plan Data

You can maintain a variety of data used in pension calculations:

- Manually adjust the balances for employee accounts, cash balance accounts, or service.
- Enter starting balances for employee accounts, cash balance accounts, or service.
- Enter entitlements based on participation in a prior plan:
  - Service minimum.
  - Benefit amount minimum
  - Automatic right to participate in a plan.
- If you charge employees for PRSA coverage, track the employee's PRSA coverage elections so that you can accurately calculate the coverage penalty.

Common Element Used in This Section

Sequence number For multiple transactions on one date, give each one a unique sequence number; otherwise, enter *1*.

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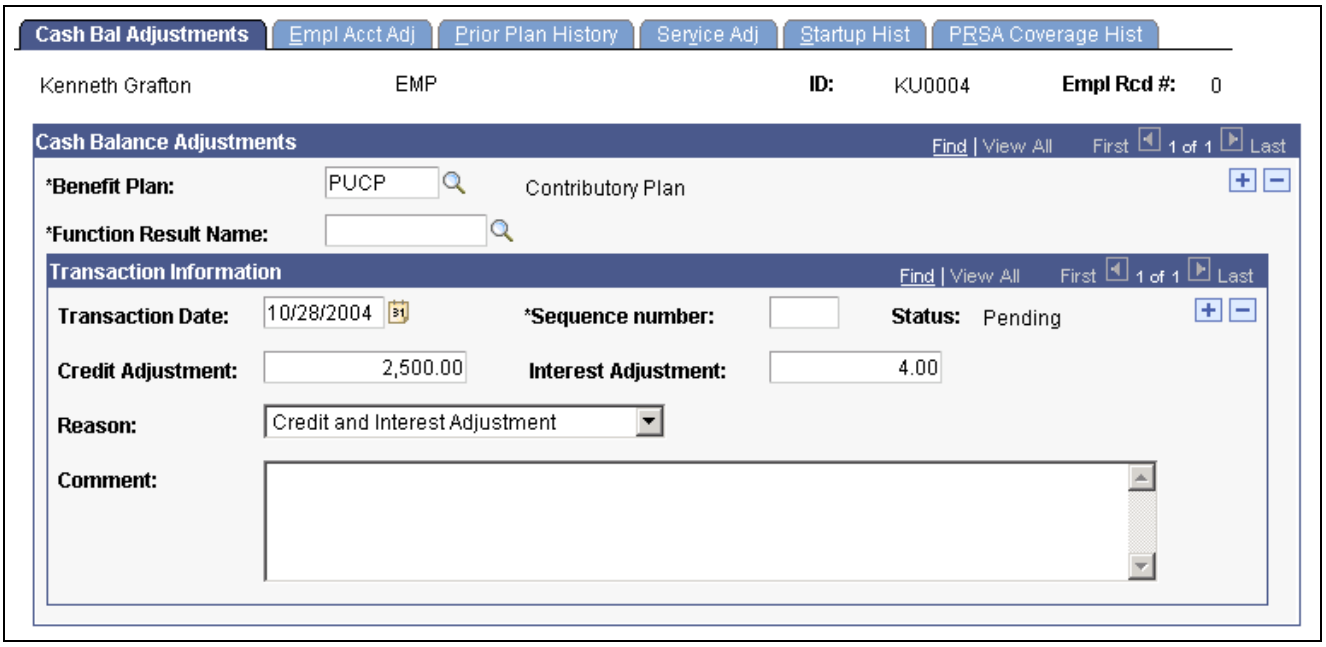
Pages Used to Maintain Employee Plan Data

Page Name	Object Name	Navigation	Usage
Cash Bal Adjustments (cash balance adjustments)	PA_CBAL_TRANS	Pension, Pension Information, Update Employee Plan Data, Cash Bal Adjustments	Record manual adjustments to an employee's cash balance account.
Empl Acct Adj (employee accounts adjustments)	PA_EACCT_TRANS	Pension, Pension Information, Update Employee Plan Data, Empl Acct Adj	Record manual adjustments to an employee's contributory account.
Prior Plan History	PA_PRIOR_PLAN	Pension, Pension Information, Update Employee Plan Data, Prior Plan History	View and maintain information about employee minimum benefits.
Service Adj (service adjustments)	PA_SVC_TRANS	Pension, Pension Information, Update Employee Plan Data, Service Adj	Record manual adjustments to an employee's calculated service credit.
Startup Hist (startup history)	PA_START_UP_HIST	Pension, Pension Information, Update Employee Plan Data, Startup Hist	View the startup accruals that you loaded and enter or update startup values. However, do so cautiously, because the data needed to recalculate startup values is not necessarily available.
PRSA Coverage Hist (preretirement survivor annuity coverage history)	PA_PRSA_COV_HIST	Pension, Pension Information, Update Employee Plan Data, PRSA Coverage Hist	Maintain PRSA coverage history.

Adjusting Cash Balance Accounts

Access the Cash Bal Adjustments page.

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Cash Bal Adjustments page

Function Result Name Enter the name of the cash balance account defined in the plan rules in Pension Administration.

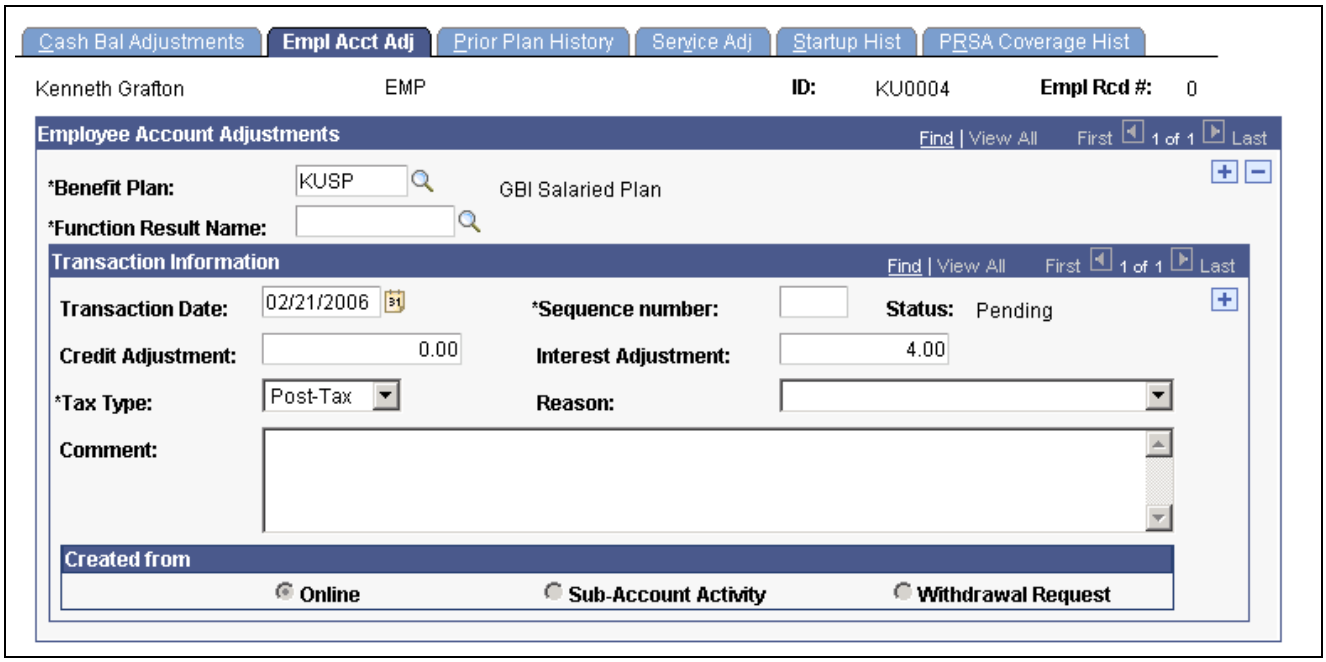
Status Displays *Pending* until period processing applies the adjustment to the employee's permanent cash balance account history. Then, the system updates the status to *Applied.*

Reason Select a value that indicates the reason for the adjustments.

Adjusting Contributory Accounts

Access the Empl Acct Adj page.

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Empl Acct Adj page

Employee account adjustments can include:

- Correcting data problems with employee accounts.
- Establishing the cost and amount of purchasable service for a service purchase arrangement (using separate transactions).
- Recording service buyback repayments (when an employee repays withdrawn contributions) or service purchase payments (when the employee makes payments by check, rather than by payroll deduction).

You make these adjustments on the Empl Acct Adj page.

Benefit Plan Enter the benefit plan that uses the employee account that you are adjusting.

Function Result Name Enter the name of an employee account that is defined in the Pension Administration plan rules.

Credit Adjustment, Interest Adjustment, and **Tax Type** If you enter a dollar adjustment (that is, an adjustment for a reason other than Purchasable Service Adjustment), you must specify which of the following employee account categories should receive the adjustment:

- Pretax credits
- Pretax interest
- Posttax credits
- Posttax interest

Note. With this scheme, posttax interest is interest on posttax contributions. The interest itself has not yet been taxed.

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Warning! The system uses the posttax interest category to track interest on posttax contributions. This interest has not actually been taxed. Do not apply posttax payments to posttax interest category because that amount would become mingled with the system-applied interest and you would have pretax and posttax money in the same category.

Enter credit and interest adjustments for the tax type. If both pretax and posttax amounts exist, enter them as separate adjustments.

Reason

Credit Adjustment, Interest Adjustment, and *Credit and Interest Adjustment:* Select one of these options if the adjustment is establishing an initial value for a purchase subaccount, or if the adjustment corrects an error in the data.

Refund with Interest: The system selects this option if the adjustment reflects a withdrawal of contributions processed by the system. The system assumes that you're refunding both the employee's contributions and the interest that those contributions earned.

Refund, Interest Forfeiture: Select this option to manually enter an adjustment for a withdrawal of contribution and refund only the contributions and not the interest.

Repayment with Interest: Select this option if the adjustment reflects a payment to a withdrawal subaccount or purchase subaccount.

Purchasable Service Adjustment: Select this option to establish the amount of service that corresponds to the initial amount in a service purchase account. This is valid for purchase subaccounts only.

Note. When you select *Purchasable Service Adjustment,* you adjust the service amount that is associated with contributions. When you use any other reason, you adjust the actual dollar amount.

Created from

The Empl Acct Adj page displays three types of adjustments made to account balances. This group box provides the source of the adjustment. The system determines how the adjustment was created. You cannot edit these values.

Online

Indicates adjustments that you manually enter. For example, you manually establish the initial balance for a service purchase account, and manually record payments to purchase or withdrawal accounts when the employee made the payments by check. Payments made by payroll deduction do not appear as adjustments. They feed into the account through consolidations. You might also make online adjustments to any of the three account types to correct errors in the account balances.

Sub-Account Activity

Indicates adjustments that occur in a plan's main contributory account only. These adjustments are rolled up from subaccounts. If you manually record a payment in a withdrawal account, the corresponding entry in the main contributory account appears as subaccount activity.

Withdrawal Request

Indicates adjustments that occur in withdrawal accounts only. The system automatically generates this type of adjustment when it processes a withdrawal of contributions. When you request a payee contribution withdrawal, you

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specify a withdrawal account. When you run the payment process, the system enters the appropriate adjustment (either a dollar amount or the entire balance of the main contributory account) as a negative adjustment to the withdrawal account.

Understanding Employee Account Types

To understand employee account adjustments, you must understand the three types of employee accounts:

- A plan's main *contribution account* tracks the actual dollar value of the account.
- A *withdrawal subaccount* is a subaccount to the main contribution account. When an employee withdraws contributions, the system establishes a negative balance in the withdrawal account. The negative balance corresponds to the amount that the employee withdrew and rolls up to the main account to reduce the main account value by that amount. If the employee later repays contributions, the repayments are credited to the withdrawal account. When the entire balance is repaid, the withdrawal account balance is zero. All the repayment activity in the withdrawal account also rolls up to the main contribution account, so when the withdrawal account reaches zero, the main contribution account has also been credited with full repayment.
- A *purchase subaccount* is also a subaccount of the main contribution account. When an employee is eligible to purchase service for time not actually worked, you establish the purchase prices by establishing a negative balance in the purchase account. Unlike a withdrawal account, this initial balance does not affect the main account balances. However, payments to the purchase account work like payments to a withdrawal account. You can credit payments to the purchase account until the balance reaches zero and all the payments roll up to the main employee account.

Note. You can enter adjustments for all three types of accounts. Be sure to enter the transaction in the appropriate account.

Adjusting or Establishing Purchasable Service

When an employee decides to purchase service, decide how much the employee owes in contributions and back interest and enter this as a negative adjustment to the purchase account. Also, establish the amount of service that corresponds to this purchase amount, using another transaction on this same page. Because the transaction dates are the same, the system associates the dollar amount that you enter with the service amount that you enter.

Note. Always enter two transactions to establish a service purchase program for an employee: one transaction establishes the cost of the service, and the other establishes the amount of service. Using the same transaction date for both transactions ensures that the system associates the two values.

When you enter the service adjustment, select the adjustment reason *Purchasable Service Adjustment.* This causes the page to change so that, instead of entering credit and interest amounts, you enter a purchasable service amount.

Enter the amount of service that the employee is eligible to purchase.

The system includes an online calculator to help you determine how much service the employee can purchase. Click the Calculate Purchasable Service button to access the calculator. In the service calculator, enter the dates for the service period. Click the Calculate button to have the system perform the calculation and display the result. The system calculates the service purchase period using the method that you specified on the Plan Aliases page.

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Checking the Adjustment Status

When you enter an adjustment on the Empl Acct Adj page, this does not affect the account balance until you run employee accounts periodic processing for the period that includes the transaction date. That is, the adjustments entered on this page are adjustment requests that are translated into actual adjustments after periodic processing.

The adjustment status is pending until periodic processing incorporates the adjustment into the actual employee account, at which point the system updates the status to Applied.

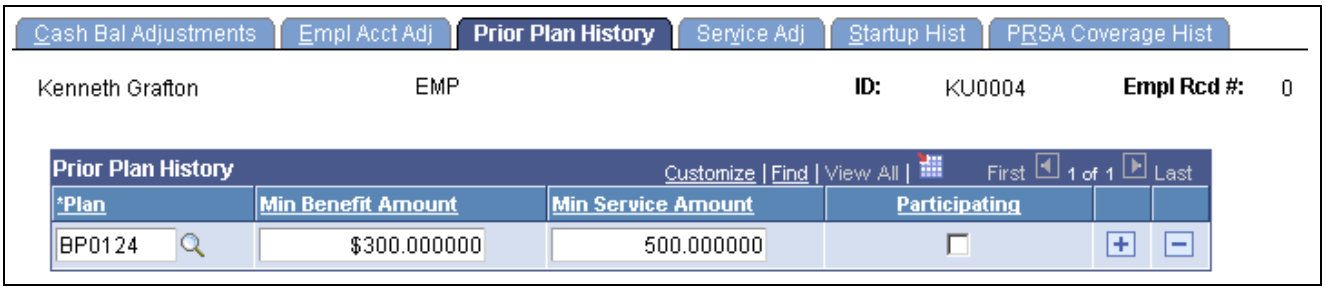
See Also

Chapter 56, "Administering Contributory Plans," page 605

Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363

Maintaining Employee Minimum Benefit Data

Access the Prior Plan History page.



Prior Plan History page

When employees participated in a prior plan (for example, a plan of a subsidiary that you have acquired), this prior plan participation might guarantee certain minimum benefits. Typically, the guarantees are for a specified benefit amount, minimum service credit, or immediate participation. Similar guarantees apply when a plan amendment or regulatory change has the potential to reduce an employee's benefit. The law protects employees from cutbacks by requiring that the benefit accrued as of the date of the change be treated as a minimum benefit.

Plan Displays the current plan that you sponsor—not a partially terminated plan under which the benefits were earned.

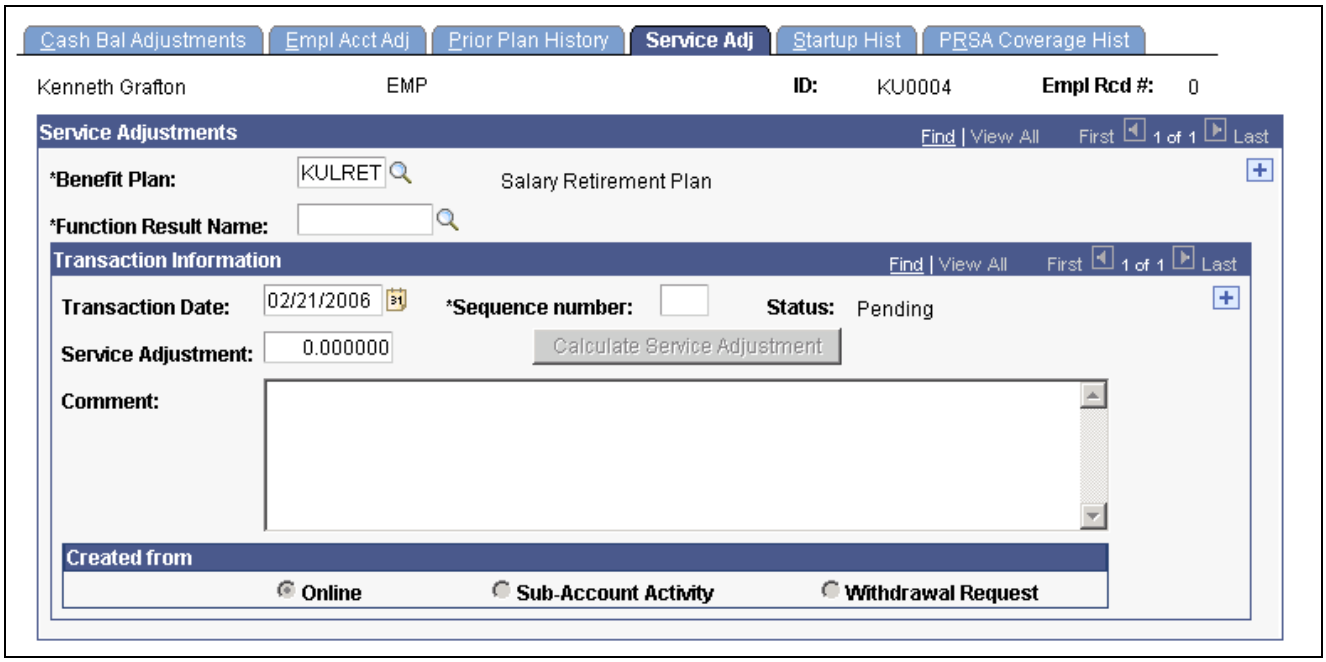
Calculations use the data that you enter here only if you explicitly reference the data in the plan parameters. For example, your plan's eligibility requirements might automatically grant eligibility to employees for whom the Participating check box is selected. If your plan does not check the status of this field, then selecting this check box has no effect.

However, even if your plan rules do not incorporate the minimums, benefits that are less than the minimum produce a message on both calculation results pages and the calculation worksheet: Benefit Amount Less than Minimum Benefit.

Adjusting Calculated Service Credit

Access the Service Adj page.

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Service Adj page

Service Adjustments

Benefit Plan Enter the benefit plan that uses the employee account that you're adjusting.

Function Result Name Enter the name of an employee account that is defined in the Pension Administration plan rules.

Status Displays *Pending* until period processing applies the adjustment to the employee's permanent cash balance account history, at which point the system updates the status to *Applied.*

Service Adjustment Enter the amount of service to be added or subtracted from the employee's calculated service accrual. Use a number appropriate to how you measure service. If you measure service in years, enter the number of years. If you measure service in months, enter the number of months.

Calculate Service Adjustment Click this button to access the online calculator, which you use to determine how much service the employee can purchase.

In the calculator, enter the dates for the service period. Then, click the Calculate button to have the system perform the calculation and display the result. The system calculates the service purchase period using the method specified on the Plan Aliases page. Using the calculator instead of making manual calculations ensures that you correctly establish the amount of service associated with a period of time.

Created from

This page displays three types of adjustments made to account balances. This group box indicates the source of the adjustment. The system determines how the adjustment was created. You cannot edit these values.

Online Displays adjustments that you enter manually to correct errors in an employee's service record.

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Sub-Account Activity Displays positive adjustments that the system automatically generates based on activity in one of the employee subaccounts. These include either a withdrawal account, with which an employee makes payments to repay contributions that were previously withdrawn, or a purchase account, with which an employee makes payments to purchase service.

Withdrawal Request Displays negative adjustments that the system automatically generates based on a withdrawal of contributions. When you request a payee contribution withdrawal, you specify whether the withdrawal causes forfeiture of the associated service. Then, when you run the payment process, the system enters any appropriate service adjustment.

When you administer a service buyback or service purchase program, the system automatically generates service adjustments.

Not all payments generate service adjustments, because the plan rules control when partial payments cause service adjustments. This can be on the employee's first payment, on the employee's final payment, or on a prorated basis for every payment.

Note. When administering a service buyback or a service purchase, you do not need to create manual service adjustments. The adjustments are all automatically generated, based on withdrawal or payment activity. Enter only manual service adjustments to correct errors in the employee's service history.

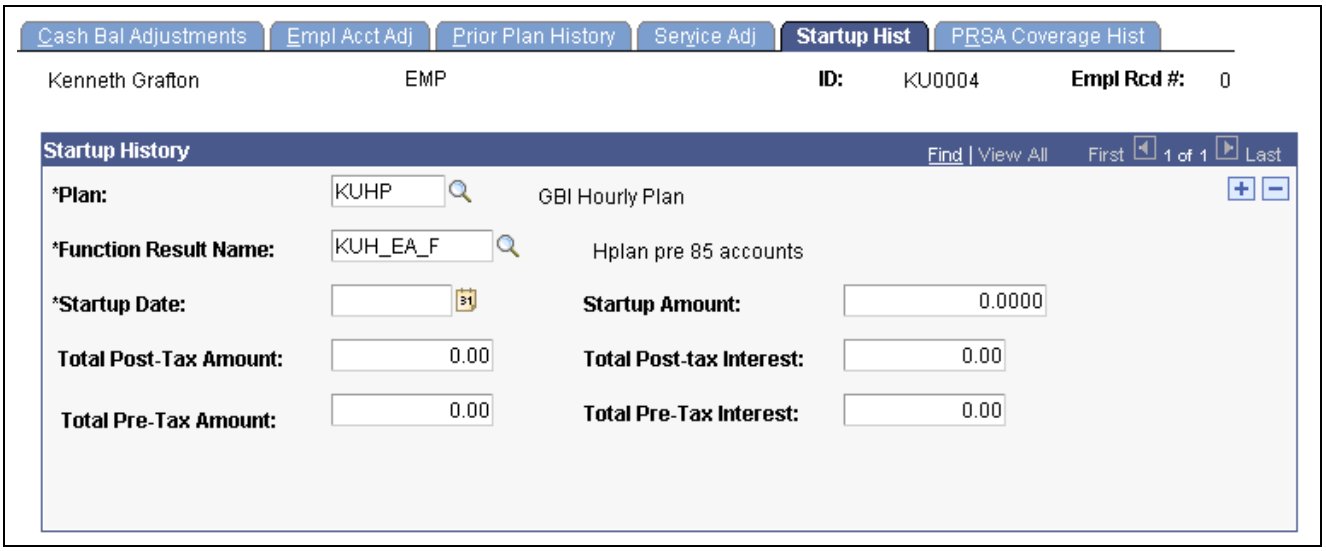
See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," page 363

Chapter 56, "Administering Contributory Plans," page 605

Viewing and Updating Startup Values

Access the Startup Hist page.



Startup Hist page

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Because pension calculations are based on information from an employee's entire career, you must load large amounts of historical information during your PeopleSoft implementation. For accruals, such as service, cash balance accounts, and employee accounts, you can load either the raw data for calculating benefits or a starting balance and an as of date.

Function Result Name Select a function result name from the list of service, cash balance accounts, and employee accounts function results for the specified plan.

Startup values must be associated with a plan and a calculation element in the plan. For example, your plan might have several different service elements: participation service, vesting service, or service credit. When you set up your plan rules, each calculation component received a function result name.

Startup Date Displays the as of date for the startup amount. Calculations that use the startup value calculate accruals occurring only after this date, and they add the calculated amount to the startup amount.

Note. The startup date must not be earlier than the day before the hire date. Otherwise, the system searches for data for the period between the startup date and the hire date and, when no data is available, generates an error.

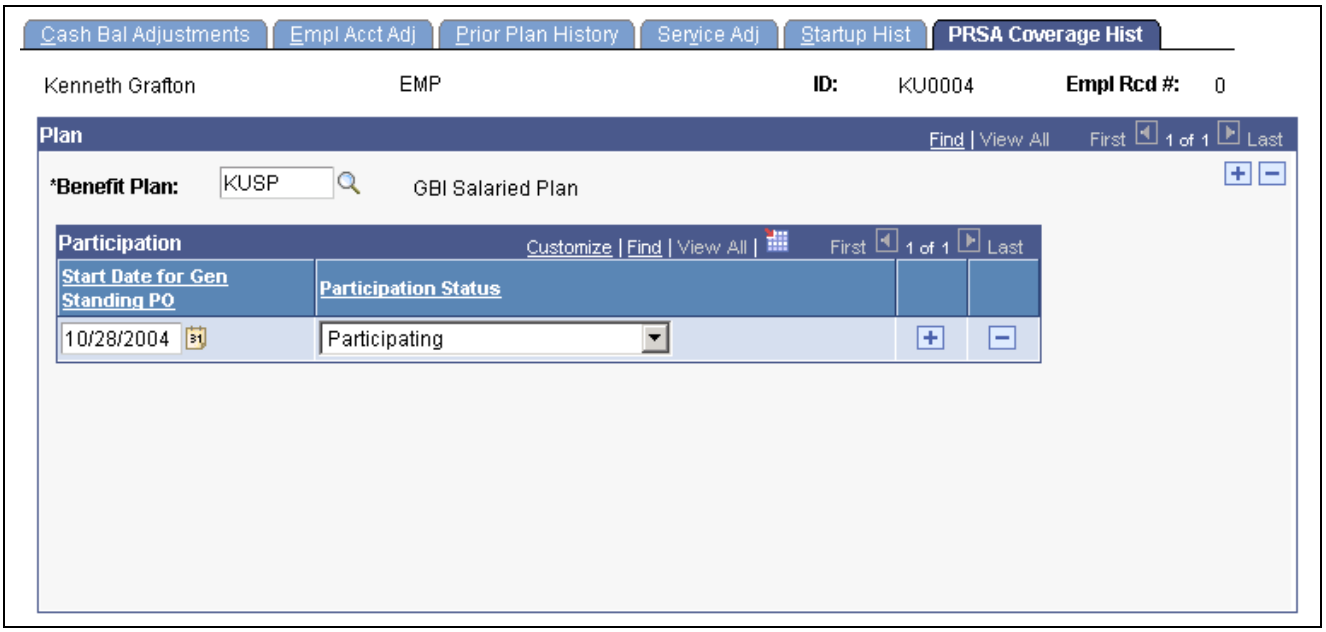
Startup Amount The startup amounts are the actual accruals as of the specified date:

- For service startup, you need only the startup amount.
- For cash balance accounts, the startup amount is the total account balance. However, you can also provide a credits and interest breakdown of the amount to use as startups for the system's running subtotals. Enter these in the Total Pre-Tax Amount and Total Pre-Tax Interest fields.
- For employee accounts (contributory accounts), the startup amount is the total account balance. Amounts that you enter in the Total Post-Tax Amount, Total Post-Tax Interest, Total Pre-Tax Amount, and Total Pre-Tax Interest fields must add up to the startup amount.

Maintaining PRSA Coverage History

Access the PRSA Coverage Hist page.

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PRSA Coverage Hist page

Start Date for Gen Standing PO For each benefit plan, enter the start date for each change in coverage.

Participation Status For each benefit plan, select the employee's status: participating or not participating in the plan.

The law requires that all qualified defined benefit plans provide a form of death benefit for the spouses of participants who die before retirement. The plan must offer married participants qualified PRSA coverage. The amount of the benefit depends on when the participant dies.

If the plan requires participants to pay the cost of the PRSA coverage, the participant's pension benefit is reduced accordingly. The reduction is usually based on the amount of time that the coverage was in effect. If employees must pay for coverage, they can elect not to have PRSA coverage. Because employees can change their election, they have a history of covered and not covered periods of time.

When the system calculates the PRSA reduction factor, it checks the employee's PRSA coverage history to determine the amount of time that the employee had PRSA coverage.

Note. If no coverage history exists, the system assumes that the employee has never had PRSA coverage (that is, the employee elected not to have such coverage at all times). For this reason, you might record coverage as a workflow process when you hire an employee.

For example, Douglas was single when he was hired, so he did not need PRSA coverage. No coverage election was recorded because the system assumes that employees with no coverage history are not covered. When Doug married in 1983, coverage was activated. When he divorced in 1992, coverage was again declined.

Maintaining Consolidated Payroll Data

This section provides an overview of consolidated payroll data, lists the common elements used in this section and the pages used to maintain consolidated payroll data, and discusses how to:

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- Use consolidation overrides.
- View an employee's consolidated earnings.
- View an employee's consolidated hours.
- View an employee's consolidated contributions.

Understanding Consolidated Payroll Data

Pension Administration consolidates payroll data (such as earnings, hours, and contributions) into periodic amounts. You run the consolidation process as part of your periodic processing. Each pension plan has its own rules for consolidating, and therefore has its own consolidation results.

Consolidation results are effective-dated. The normal mode for periodic processing is to continue to add segments to the existing effective-dated history, so there is one effective date (the hire date) with rows for each consolidation period.

However, you can create a new effective-dated history. You can either delete the old history or keep it and insert a new effective-dated history to supersede the original history. This occurs when you run consolidation processing in Delete and Rebuild mode, which erases existing results and creates new results, or in Create New Consolidations mode, which creates new results without erasing the old ones.

Normally, the earliest effective date for an employee's consolidation is the first date on which you ran the consolidation process for that employee. Additional consolidation results are added under the same effective date. However, if you build a new history using Delete and Rebuild mode, the new effective date is the employee's hire date.

If you build a new history without deleting the existing history using Create New Consolidations mode, the new effective date is the date on which you ran the process. In this case, you now have multiple effective-dated consolidation histories. When you run a calculation, the system uses the consolidation history effective on the rules as-of date that you specify at calculation time, rather than the history effective on the date on which you actually run the calculation.

See Also

Chapter 45, "Running Periodic Processes," page 389

Common Elements Used in This Section

Start Date and **End Date** — Identify the individual consolidation periods. The consolidation rules define the type of consolidation period.

Last Proc Date (last processed date) — Displays the last date in the period on which you ran the consolidation. Compare this with the end date to determine whether you completed processing for that period.

Partial Period Flag and **Partial Period Indicator** — Display *Y* (yes) or *N* (no) to indicate whether this is a partial period. A period is partial if the employee did not work throughout the entire period. Usually, a partial period is a hire period, a termination period, or a period during which an employee was on leave.

Override — Select this check box to use the values that you enter on this page instead of the values calculated by the system.

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Note. If you select the override indicator, you must enter data in all of the override fields. If you fail to enter data, the system enters zero for numeric fields and clears check boxes.

Override Type Indicate whether an override is temporary *(Temp)* or permanent *(Perm)*.

Pages Used to Maintain Consolidated Payroll Data

Page Name	Object Name	Navigation	Usage
Earnings History	PA_CONS_EARNS_HIST	Pension, Pension Information, Review Consolidation Results, Earnings History	View an employee's consolidated earnings. Depending on your plan rules, the system might use these during calculations for final average earnings, social security, or cash balance accounts.
Hours History	PA_CONS_HOURS_HIST	Pension, Pension Information, Review Consolidation Results, Hours History	View an employee's consolidated hours.
Contribution History	PA_CONS_DED_HIST	Pension, Pension Information, Review Consolidation Results, Contribution History	View an employee's consolidated contributions.

Using Consolidation Overrides

You might need to overwrite the calculated earnings or hours consolidation amounts. Use this feature sparingly, because it's best if your consolidation results map cleanly to the source data from payroll.

The pages displaying the consolidated data include display-only fields with the results of consolidation processing and available fields in which you can override these calculated values. You can override amounts for existing periods, but you cannot insert new rows to create new periods.

To override consolidated data:

1. For each period in a consolidation history, select the Override or Override Indicator check box to substitute your own values for certain fields.

   Note. If you enter overrides without selecting one of these check boxes, the system ignores the information that you enter.

2. Indicate an override type.

   - If you select *Permanent,* the system prevents you from rerunning consolidation in Delete and Rebuild or Create New Consolidations mode. This prevents you from losing your manually entered override. To delete this permanent override, return to this page and remove the override or mark it as Temporary.

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- If you select *Temporary,* any rebuild of the existing history deletes the override without issuing a warning. For example, if you discover a problem with an employee's data, enter an override so that you can complete your current calculations and sort out the payroll data problem later. When you uncover the data problem, make corrections, reconsolidate in Delete and Rebuild mode, and the Temporary override does not stop the rebuild.

3. Enter the actual override values.

   Each consolidation (including earnings, hours, and contributions) has override fields corresponding to the final results for the period, such as the final adjusted hours for the period. Override fields do not exist for intermediate results, such as the actual hours worked.

Final results fields for each consolidation are calculated as follows:

- Consolidated earnings include the earnings amount, the partial period indicator, and the partial period fraction.
- Consolidated hours include the hours amount and the partial period indicator.
- Consolidated contributions include pretax and posttax amounts.

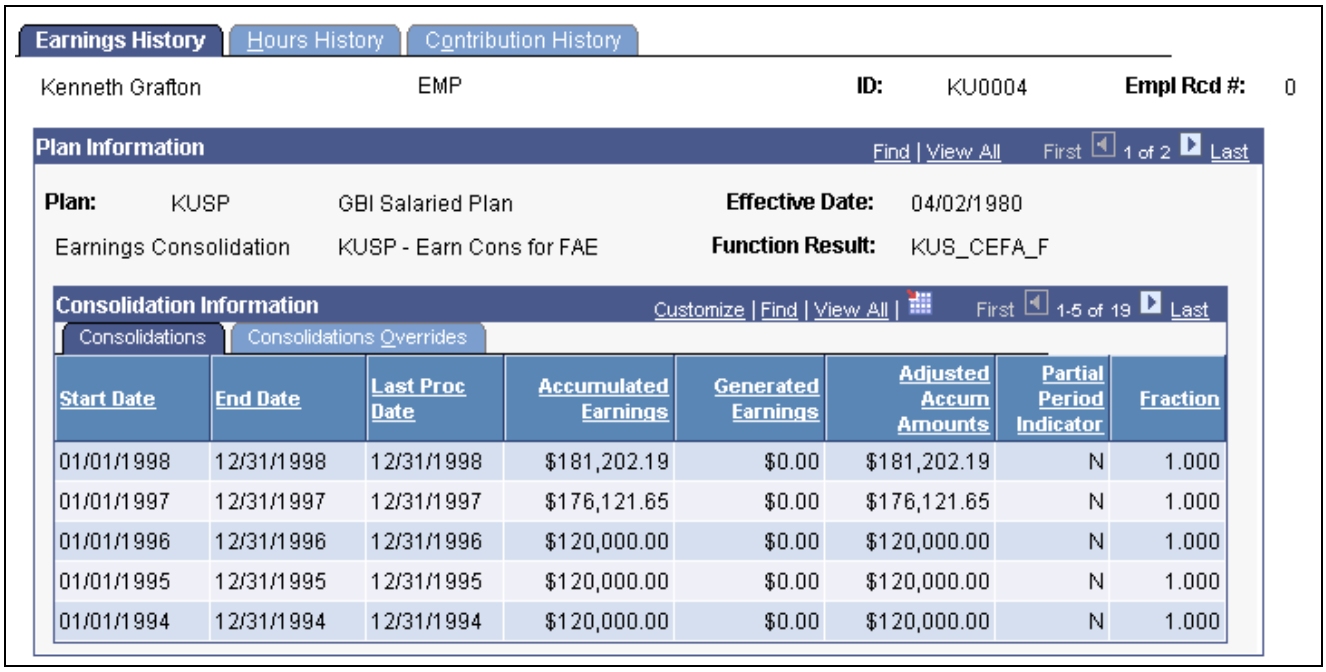
Note. If the override indicator is selected, you must enter data in all of the override fields. If you fail to enter data, the system enters zero for numeric fields and clears check boxes.

See Also

Chapter 45, "Running Periodic Processes," page 389

Viewing an Employee's Consolidated Earnings

Access the Earnings History page.



Earnings History page

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Note. If an employee provides a social security earnings history, such as a document from the Social Security Administration or pay stubs from previous employers, you must use this earnings history for social security calculations. Rather than entering the new information as an override to the consolidated earnings (which might interfere with other calculations based on these earnings), enter the data on the Soc Sec Earnings page.

Multiple views of this page are available by clicking the tabs in the scroll area. In this chapter, fields that are common to all views appear first.

Common Page Information

Function Result Displays the system name for the earnings consolidation rule.

Consolidations Tab

Accumulated Earnings Displays the earnings that were actually paid to the employee during a consolidation period. This is not the final earnings for the period, because the rules might require that you generate or otherwise adjust these earnings.

Generated Earnings Displays the period total after any earnings generation. The generated earnings amount is not added to paid earnings—it replaces the paid earnings. If no earnings were generated, this field displays *0*.

Adjusted Accum Amounts (adjusted accumulated amounts) Displays the final earnings actually used in the calculation. In addition to including the generated earnings, this reflects minimums, maximums, and other adjustments specified in the plan rules.

Fraction Indicates the portion of the period that the employee worked. For whole periods, this is 1.000, indicating that an employee worked for 100 percent of the period. If the employee worked for 75 percent of the period, the fraction is 0.750.

Depending on your plan rules, the system might use the partial period indicator and partial period fraction during final average earnings and cash balance accounts calculations.

Consolidations Overrides Tab

Override Earnings Amount Enter the new earnings data. This overrides the data in the Adjusted Accum Amounts field.

Partial Override Indicate whether this is a partial period. This overrides data in the Partial field. When you clear this check box, the Partial field value is *N*. When you select this check box, the value is *Y*.

Fraction Override Enter the partial period fraction. Enter *1.000* for periods that are not partial periods. For periods that are partial periods, enter a decimal corresponding to the percentage of the period worked. For example, if an employee worked for 80 percent of the period, enter *.8*.

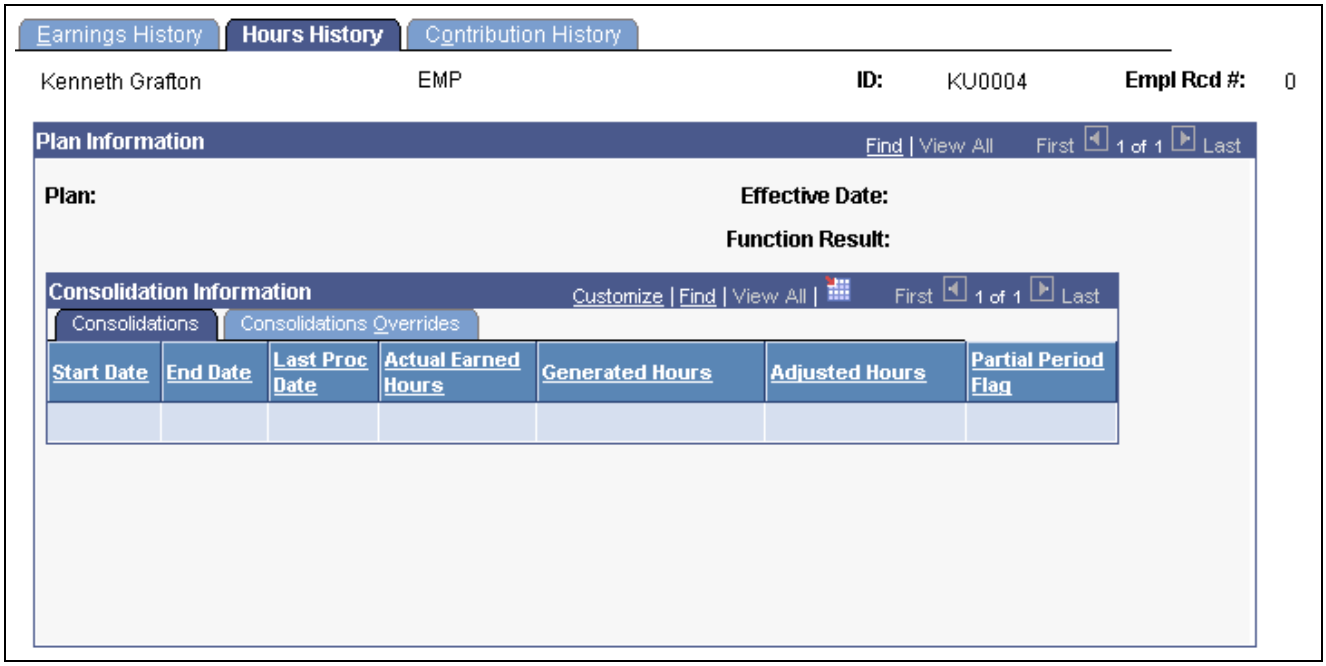
See Also

Chapter 51, "Maintaining Employee Pension Data," Using Consolidation Overrides, page 509

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Viewing an Employee's Consolidated Hours

Access the Hours History page.



Hours History page

Common Page Information

Function Result Displays the system name for the hours consolidation rule.

Consolidations Tab

Actual Earned Hours Displays the hours that the employee actually worked during a consolidation period. This is not the final hours for the period, because the rules might require that you generate or otherwise adjust these hours.

Generated Hours Displays the period total after any hours generation. The generated hours amount is not added to the actual hours—it replaces the actual hours. If no earnings were generated, this field is blank.

Adjusted Hours Displays the final hours that are actually used in the calculation. In addition to including the generated hours, this reflects minimums, maximums, and other adjustments specified in the plan rules.

Consolidations Overrides Tab

Override Final Cons Hours (override final consolidated hours) Enter the new hours data. This overrides the data in the Adjusted Hours field.

Partial Override Indicate whether this is a partial period. This overrides data in the Partial Period Flag field. When you clear this check box, the Partial Period Flag field value is *N*. When you select this check box, the value is *Y*.

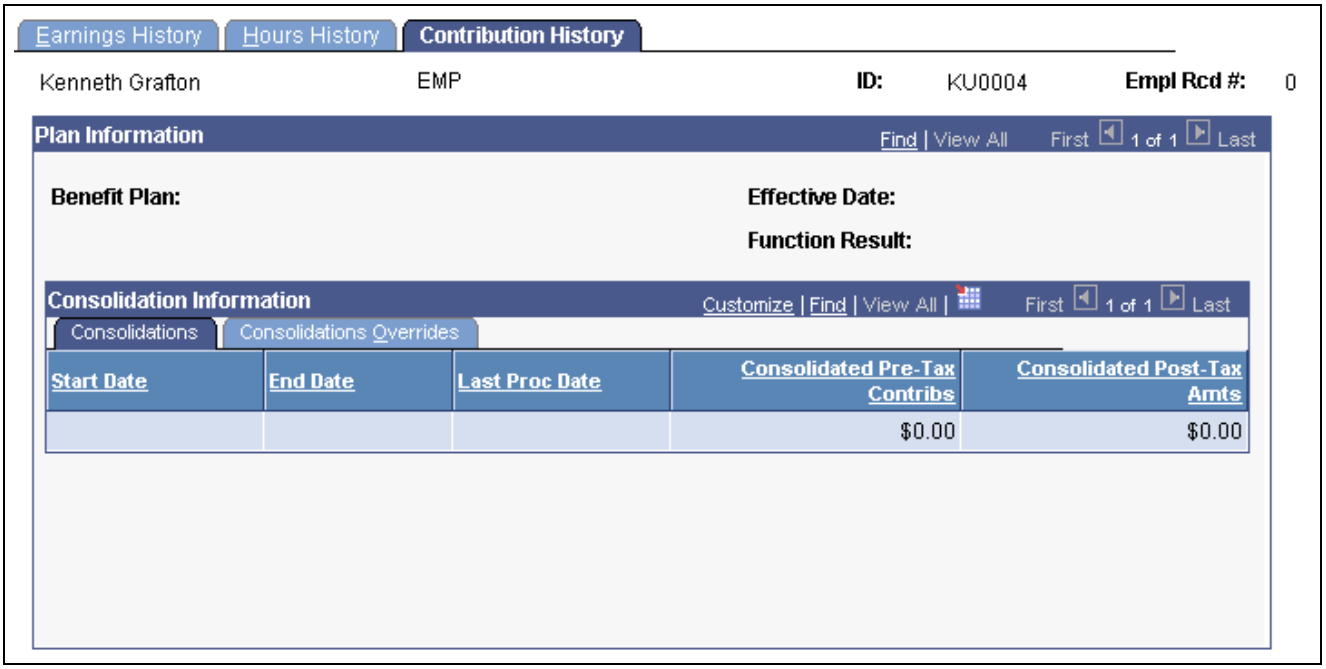
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See Also

Chapter 51, "Maintaining Employee Pension Data," Using Consolidation Overrides, page 509

Viewing an Employee's Consolidated Contributions

Access the Contribution History page.



Contribution History page

Common Page Information

Function Result Displays the system name for the contribution consolidation rule.

Consolidations Tab

Consolidated Pre-Tax Contribs (consolidated pretax contributions) and **Consolidated Post-Tax Amts** (consolidated posttax amounts) Display the employee's pretax and posttax contributions during the period.

Consolidations Overrides Tab

Override Pre Tax and **Override Post Tax** Enter the pretax and posttax amounts.

See Also

Chapter 51, "Maintaining Employee Pension Data," Using Consolidation Overrides, page 509

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Maintaining Employee Regulatory Data

This section provides an overview of employee regulatory data, lists the pages used to maintain employee regulatory data, and discusses how to:

- Enter historical 415(e) information.
- Enter an employee's actual social security earnings history.

Understanding Employee Regulatory Data

Pension calculations often require data for regulatory purposes. Although much of the necessary data exists in the PeopleSoft Enterprise HRMS database, you must track pension-specific information in Pension Administration:

- You enter historical 415(e) information about a participant's contributions to defined contribution (DC) plans that you sponsor.

  The system does not calculate the DC information. You enter the data directly on the Historical 415(e) page.

- You enter an employee's actual social security earnings history.

  Social security calculations require that you use the actual earnings history, rather than your plan assumptions, if the employee provides this information. You enter this information on the Soc Sec Earnings page.

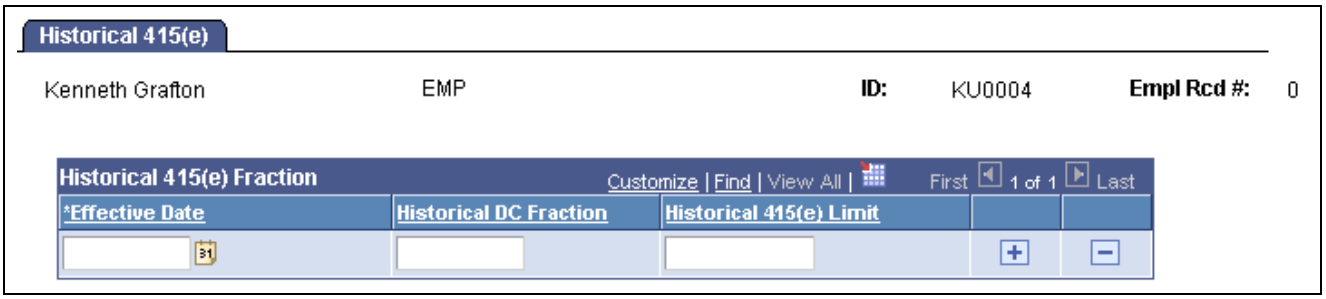
Pages Used to Maintain Employee Regulatory Data

Page Name	Object Name	Navigation	Usage
Historical 415(e)	PA_DC_FRACTION	Pension, Update Regulatory Information, 415(e) Limit, Historical 415(e)	Record historical 415(e) information for your employees. If no information appears here, the system assumes that the employee was not subject to 415(e) limits. Typically, you enter data only for highly compensated employees who participate in a DC plan.
Soc Sec Earnings (social security earnings)	PA_EMP_SS_EARNS	Pension, Update Regulatory Information, Yearly Soc Sec Earnings, Soc Sec Earnings	Enter an employee's actual social security earnings history.

Entering Historical 415(e) Information

Access the Historical 415(e) page.

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Historical 415(e) page

If you sponsor both defined benefit (DB) and defined contribution plans, employees who participated in both were subject to Internal Revenue Code Section 415(e) prior to its repeal. This regulation limited the combined benefit from the two types of plans, and Pension Administration determines the historical 415(e) limit in calculations for which the limit is historically effective.

Under the combined limits, the sponsor designated which plan (DB or DC) was primary. Reductions required by 415(e) were made to the non-primary plan. Typically, the DC plan was primary, so the DB plan was reduced. Because Pension Administration calculates only DB plan benefits, use the system's historical 415(e) limit functionality only if the DC plan was primary and benefits that are greater than the limit resulted in a reduction to the DB plan.

If you set up Pension Administration to calculate historical 415(e) limits, the system needs access to participants' DC information. It needs either the defined contribution fraction, calculated according to historical section 415(e), or the final historical 415(e) limits.

Historical section 415(e) limited the combined benefit from DB and DC plans. The sum of the DB fraction and the DC fraction cannot exceed 1.0.

Pension Administration calculates the DB fraction, but it cannot calculate the DC fraction. You must provide the DC fraction.

To find the DC fraction:

1. For each year that the employee contributed to DC plans, find the lesser of:
    a. DC dollar limit × 1.25.
    b. Employee's compensation × 1.4 × 0.25.
2. Add the amounts calculated in step 1. This is the DC fraction denominator.
3. Divide total contributions to DC plans by the DC fraction denominator.

Because the fraction's numerator and denominator can change annually, enter an effective date for the information that you provide. Enter a defined contribution fraction for that date.

Alternatively, you can calculate and provide the final 415(e) limit—that is, the maximum dollar benefit for the defined benefit plan allowable under historical section 415(e).

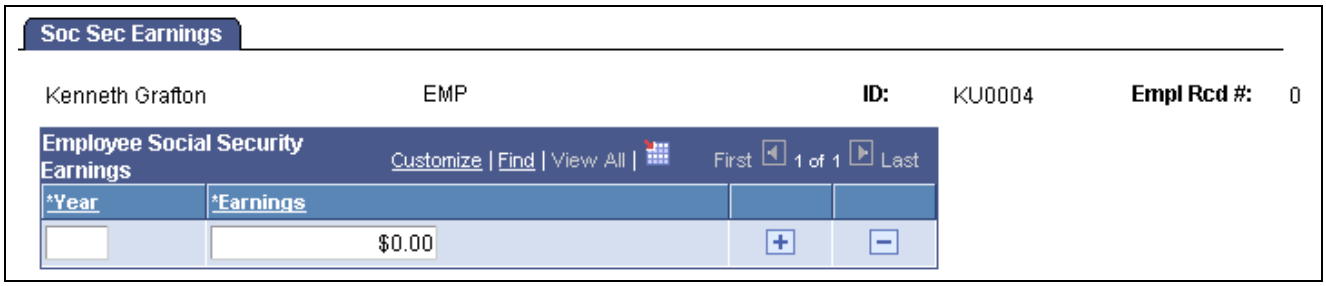
See Also

Chapter 28, "Applying Section 415 Limits," page 235

Entering an Employee's Actual Social Security Earnings History

Access the Soc Sec Earnings page.

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Soc Sec Earnings page

Pension plans may incorporate social security calculations in their benefit formulas or when calculating a level income option form of payment. Because you do not normally have access to social security earnings information from other employers, you usually use assumed earnings that are determined using certain assumptions.

Sometimes, however, an employee provides their earnings history—either a document from the Social Security Administration or pay stubs from previous employers. You must use this actual earnings history, rather than the assumed earnings. Entering the actual earnings data on the Soc Sec Earnings page ensures that all social security calculations use the actual earnings. At the same time, you avoid overwriting the consolidated earnings data that you might use elsewhere for final average earnings or cash balance accounts calculations.

Social security earnings are always based on calendar years. For each year of earnings, enter the year and earnings. Amounts that exceed the maximum taxable wage base are limited to the wage base amount during the social security calculations.

Only social security calculations use these earnings. Other calculations involving earnings use the consolidated earnings that are specified in the plan rules.

Note. The system does not project or regress earnings entered on this page. Be sure to enter information only when you have a complete earnings history.

Maintaining Pension Beneficiary Data

This section provides overviews of beneficiary benefits and automatic spousal benefits, lists the page used to maintain pension beneficiary information, and discusses how to identify non-spouse pension plan beneficiaries.

Understanding Beneficiary Benefits

Many optional forms of payment for pension benefits include survivor components (that is, a continuing benefit paid to the retiree's beneficiary after the retiree dies). When the payment amount is actuarially reduced, the system bases the reduction on both the retiree's and beneficiary's ages. Therefore, accurate pension calculations depend on the availability of accurate beneficiary data.

Another important benefit for pension beneficiaries is PRSA coverage, which provides a death benefit when a plan participant dies before becoming eligible for retirement.

See Also

Chapter 51, "Maintaining Employee Pension Data," Maintaining PRSA Coverage History, page 506

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Understanding Automatic Spousal Benefits

Certain plans offer an automatic joint and survivor benefit for the spouses of plan participants. A specified percentage of the employee's monthly pension is automatically paid to the surviving spouse after the death of the employee. This benefit is independent of the employee's optional form selection. The employee's optional form selection and any resulting actuarial reduction to the benefit, therefore, apply only to the portion of the benefit that exceeds the automatic spouse benefit.

For example, Plan A specifies an automatic 25 percent benefit. Fred's benefit is 1,000 USD per month as a single life annuity, but, even if he selects a single life annuity, his wife Norma is entitled to 250 USD per month after Fred dies.

Fred can still elect any optional form, but if he chooses a joint and survivor form, the continuation percentage applies only to the 750 USD portion of the benefit that is not already dedicated to Norma. Therefore, if he elects a 50 percent joint and survivor form, the 750 USD is actuarially reduced (for example, to 700 USD), and Fred's benefit is 950 USD. After Fred dies, his joint and survivor beneficiary receives 350 USD per month. This beneficiary might be Norma, but might also be a child, a trust, or another person. If he named Norma as his beneficiary, she receives the 350 USD in addition to the automatic 250 USD, for a total benefit of 600 USD per month.

If the plan rules specify an automatic benefit, the optional forms calculations reflect the benefit.

Use the Dependent/Beneficiary component in PeopleSoft Enterprise Human Resources to enter beneficiary data.

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Entering Dependent and Beneficiary Information"

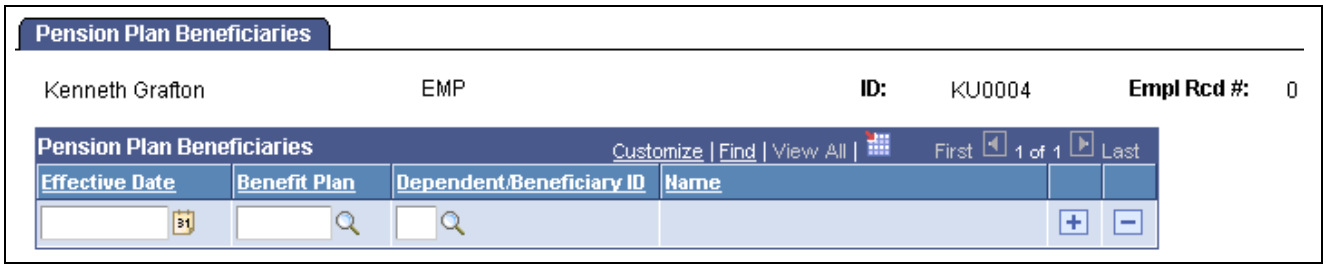
Page Used to Maintain Pension Beneficiary Information

Page Name	Object Name	Navigation	Usage
Pension Plan Beneficiaries	PA_CONT_BENEF_IDS	Pension, Pension Information, Plan Beneficiaries, Pension Plan Beneficiaries	Identify non-spouse beneficiaries. For employees whose spouses are their beneficiaries, you do not need to record beneficiary information. When no beneficiary is explicitly recorded, the system assumes that the spouse is the beneficiary.

Identifying Non-Spouse Pension Plan Beneficiaries

Access the Pension Plan Beneficiaries page.

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Pension Plan Beneficiaries page

Employees can have different beneficiaries for different plans. They can also change their beneficiary over time. To enter beneficiary information, enter both an effective date and a benefit plan.

You can enter information only for plans that allow contingent (non-spouse) beneficiaries. If a plan is not available in the list of valid plans, it does not allow contingent beneficiaries.

Specify the dependent or beneficiary ID for the designated beneficiary. Only individuals already added to the employee's dependent or beneficiary list are valid beneficiaries. If the designated individual is not available in the list of valid values, use the pages in the Perform Election Entry (BAS_ELECTION_ENTRY) - Dependents/Beneficiaries page to add the person as a dependent or beneficiary. Return to the Pension Plan Beneficiaries page to finish recording the pension beneficiary information.

See Also

Chapter 6, "Understanding Pension Plans," page 37

PeopleSoft Enterprise Benefits Administration 9.0 PeopleBook, "Running the Benefits Administration Process," Entering Participant Benefit Elections

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CHAPTER 52

Establishing Pension Payees

This chapter provides overviews of payee types, pension payee tracking with PeopleSoft Enterprise Human Resources, and pension payee usage in other PeopleSoft Enterprise HRMS applications. The section discusses how to:

- Establish multiple payee records for one person.
- Determine when to set up payee records.
- Create payees.
- Define payee cross-references.

Understanding Payee Types

Three possible types of people can receive pension payments: retirees, beneficiaries, and QDRO alternate payees. They are all pension payees. Beneficiaries and QDRO alternate payees are non-employee payees.

Retirees are former employees who earned their benefits through their own service within the organization. Retirees who leave the organization after vesting but before retirement are also known as "terminated deferred-vested employees."

Beneficiaries and QDRO alternate payees, on the other hand, collect a benefit that was earned by someone else. A beneficiary collects survivor benefits after the death of a retiree. A QDRO alternate payee is an employee's former spouse who, as part of a divorce settlement, is entitled to a portion of the employee's pension benefit. QDRO alternate payees are subject to a plan's rules governing when employees may begin receiving benefits.

Understanding Pension Payee Tracking with Human Resources

This section provides overviews of:

- Human Resources payee data.
- Payee data access.
- Security setup.
- Personal and job data usage.

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Human Resources Payee Data

Human Resources tracks essential data about your employees. It tracks all kinds of employee information to help you manage everything from competencies to career planning. The most basic information is stored in two records: personal data and job data. You use these records to track your pension payees, including both employees (retirees) and non-employees (beneficiaries and QDRO alternate payees).

Very few changes are required to establish a retiree personal data record that is based on an employee record. One field, person type, is changed. Beneficiaries and QDRO alternate payees, on the other hand, may not have a personal data record until you create one.

Payee Data Access

Although payee data is available on the PeopleSoft Enterprise Administer Workforce pages, Pension Administration also provides separate personal data and job data pages for pension payees (the Create Payee and Payee Maintenance pages). Although the payee pages display fewer fields than their counterparts in Administer Workforce, they reference the same records. This means that the payee personal data and job data records have exactly the same fields as the employee personal data and job data records.

If fields have default values, the payee records use those defaults, even though you do not see the fields. Conversely, if a field is required, you must provide a value even if the information does not apply to payee records (for example, standard hours).

Security Setup

You can use PeopleSoft security trees to set up security, based on an employee's department in the job record. When you set up a retiree job record, you enter a department code. Depending on your organization's security requirements, this may be one department (or more) just for pension payees or the same department that housed the person as an employee. If your organization uses a separate department for payees, you can use security trees to prevent certain users from accessing payee data.

PeopleSoft permission list security, on the other hand, enables you to restrict users from accessing certain pages. However, because payee records are really the same as employee records, you cannot use permission list security to prevent users from accessing payee records; you can only prevent them from accessing only payee-specific pages.

See Also

PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook, "Setting Up and Administering HRMS Security"

Personal and Job Data Usage

Personal data includes a payee's name and address, as well as demographic information, such as birth date, sex, and marital status. This is data that does not change based on a person's role in the organization. Most importantly, the personal data record is where you assign people their employee IDs, which are their permanent and unique identifiers.

When you use Human Resources to track retired employees, you continue to use the same personal data record. This makes sense because the data does not change just because an employee retires. This means that you track retirees using *the same employee IDs* they had as employees.

When you set up beneficiaries and QDRO alternate payees, an employee ID may not exist. In this case, you have to create a personal data record as part of the process of setting up the payee.

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Important! You cannot use Human Resources to change the personal data for beneficiaries and QDRO alternate payees. Instead, you must use Pension Administration to change their data.

Job data describes an employee's role in the organization. In addition to the actual job code, the job record contains information on the employee's company, department, location, salary, benefit program, and other similar information. The job record is effective-dated so that you can track this information over time. Employees can even have multiple concurrent jobs for the same company. In this case, the employee is said to have multiple job records. For example, if Barbara is simultaneously a professor of engineering and dean of the engineering school, she has two jobs and two job records. PeopleSoft uses the Rcd# (record number or job number) field to identify the separate jobs.

When you use Human Resources to track pension payees—that is retirees, beneficiaries, and QDRO alternate payees—you give a payee a "job" as a retiree. The retiree job is a concurrent job. For example, if Earl retires from his job assembling widgets, he has two job records: one as a widget assembler, another as a retiree.

Warning! You must turn on the Human Resources multijob setting in order to administer pension payees.

Understanding Pension Payee Usage in Other HRMS Applications

This section provides overviews of pension payee recognition and pension usage with other PeopleSoft applications.

Pension Payee Recognition

The system uses the same records for employees, retirees, and non-employee payees, and it needs to distinguish among these types of payees. This is important when Human Resources, Payroll for North America, and the Manage Base Benefits business process need to handle payees differently from employees.

When the system needs to distinguish pension payees from other employees, it uses these fields:

- Organizational Relationship (PER_ORG): In HRMS, this field classifies a person as an Employee or a Person Of Interest.

  Retirees, beneficiaries, and QDRO alternate payees are classified as Persons Of Interest. The system sets this value when you establish a payee record.

- Person of Interest Type (POI_TYPE): This field further classifies the people whom you track.

  Its value is *Pension Payee* for all pension payees: retirees, beneficiaries, and QDRO alternate payees. There are other values for job applicants, contractors, and COBRA participants. The system automatically sets this field to *Pension Payee* when you set up the payee record on the Create Payee page. For this reason, it's important that you always set up payees as described here. This field is on a person's Organizational Instance record, so a person with a payee record is classified as a pension payee regardless of any other job records that exist.

- Employee Status (EMPL_STATUS): This field provides status information for all employees, based on the action and reason history in the job record.

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Each job record has an associated status. The values that identify pension payee jobs are *Retired - Pension Administration* and *Retired - Pension Paid Out.* When you set up a payee, the system automatically sets the action to *Retirement* and the status to *Retired - Pension Administration.* A termination action on a payee job record switches the value to *Retired - Pension Paid Out.* You can view this field on the pension pages.

The system also uses these fields to identify processes that apply only to active employees.

Note. Other HRMS applications contain logic to filter pension job records from processes that do not apply to them.

Pension Usage with Other PeopleSoft Applications

The following are points to keep in mind when you use Pension Administration with other PeopleSoft applications.

- Human Resources.

  The termination workflow is not triggered when you enter a termination action in a retiree job record. However, the workflow is triggered if you enter a termination action in a retiree's active employment record.

- Payroll for North America.

  There are no default tax elections for pension payee jobs. When a pension payee moves from one state or locality to another, new tax elections are not automatically set up.

- PeopleSoft Enterprise Manage Base Benefits business process.

  COBRA processing does not occur when you enter a termination action on a payee job record. The only effect that a termination has on a payee job record is to change the employee status from *Retired - Pension Administration* to *Retired - Pension Paid Out.*

  A COBRA action does not occur when the employee status is *Terminated Pension Pay Out* or *Retired-Pension Administration.* This means that if a termination or retirement action for an active employment job occurs after a retiree record is established, COBRA is not triggered.

  Warning! To ensure that COBRA processing is accurate, be sure to enter a termination or retirement action in an employee's active employment record *before* you establish a payee record.

Establishing Multiple Payee Records for One Person

In Human Resources, companies are entities with their own employer identification numbers (EINs) and thus their own tax reporting identities. Under this paradigm, each pension plan is its own company and requires its own entry in the company table.

When you create a retiree job record, you specify a single company that pays the pension benefits. You can see, then, that if you use one company per plan and one company per job, you need multiple jobs for individuals who retire with pension benefits from multiple pension plans. The same principle applies to beneficiaries and QDRO alternate payees.

Setting up retirees with multiple jobs, and thus multiple companies, also enables you to set up separate tax withholding and direct deposit elections for the same payee under different plans.

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Determining When to Set Up Payee Records

You set up *retiree records* at the time that an employee retires. By setting up the retiree job at the beginning of the retirement process, you ensure that a record is in place to use as you track retirement activities and record optional form selections, tax elections, and other payee information.

You set up *terminated deferred-vested records* when an employee terminates. You complete the setup all the way through setting up payments, based on the default optional form. Of course, you do not actually start paying the person; you indicate that the payments are in deferred status so that the payment process cannot inadvertently pick up the payment instructions. However, setting up the payments ahead of time provides liability information for the actuarial valuation.

You set up *beneficiary records* after a retiree dies. It is then that you can be sure that the beneficiary will outlive the retiree and receive survivor benefits. Because you do not set up a beneficiary record until the retiree's death, you can also be sure that the retiree record already exists. This is important, since you associate each beneficiary record with the retiree record for the benefit. Complete the setup all the way through the payment schedule, as with terminated deferred-vested employees. If there is an administrative delay before you start payments, give the schedule a deferred status. This way the information is available for the actuarial valuation even if you have not started payments.

You set up *QDRO alternate payee records* at the time that you determine that the court order is qualified and you record the amount due to the alternate payee. This is necessary because you record the amount due under the QDRO alternate payee's ID. You do not need to set up the alternate payee's job record until you are ready to run the QDRO calculation, which does require a job record.

In all cases, you should update the pension status at the same time you that set up a payee record.

Creating Payees

This section provides an overview of payee record creation, lists the pages used to create payees, and discusses how to:

- Create a payee.
- Enter payee records.
- Enter personal and job data.

Understanding Payee Record Creation

You create a payee record based on an "originating employee." For a retiree, you base the payee record on the retiree's employee record. For a beneficiary or QDRO alternate payee, you base the payee record on the employee record of the person who actually earned the benefit.

To create retirees and terminated vested deferred payees, you start on the Create Payee page and from there access the Personal Data and Job Data pages to update personal and job data about a payee. After you complete the fields on each page and save the page, the system returns you to the Create Payee page, and the links are replaced by messages indicating that the personal and job data is complete.

To create beneficiaries and QDRO payees, you use the Create Payee page, which includes fields from the Personal Data (PERSONAL_DATA) and Job Data (JOB_DATA) components.

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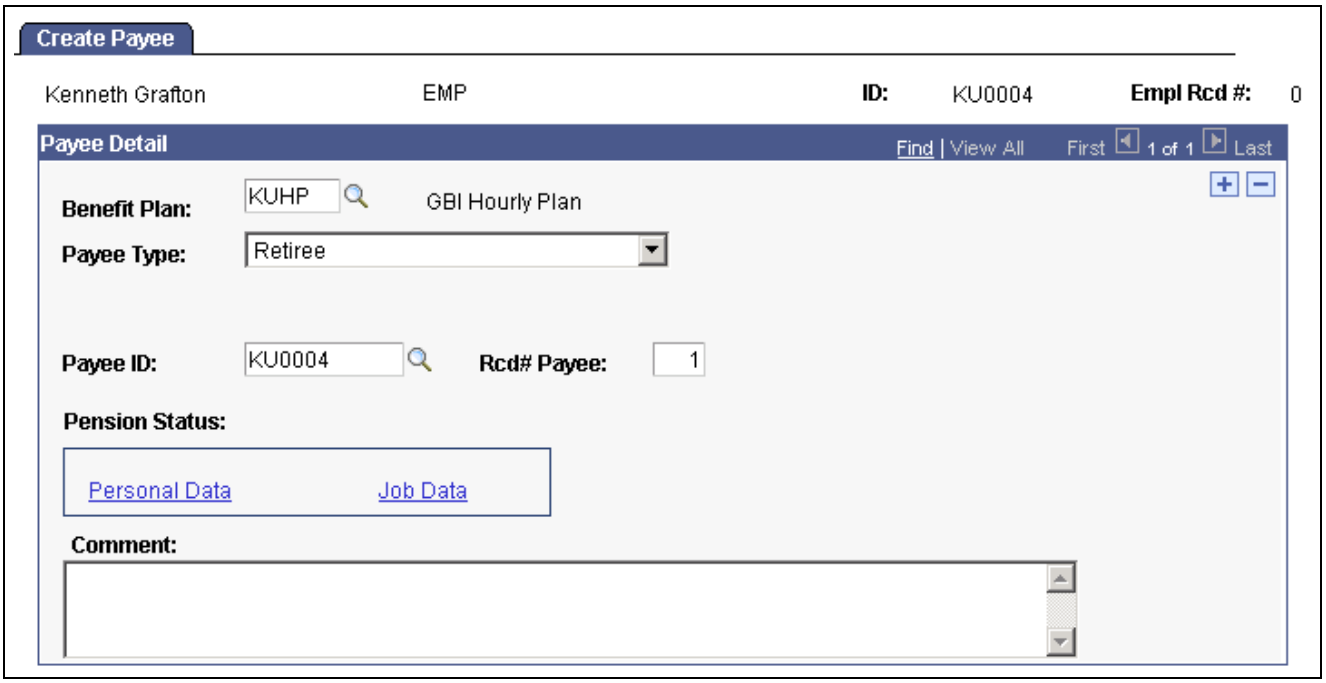
Pages Used to Create Payees

Page Name	Object Name	Navigation	Usage
Create Payee	PA_RT_EMP_SETUP	Pension, Payments, Create Payee, Create Payee	Create payee records.
Payee Name	PERSONAL_DATA1	Click the Personal Data link on the Create Payee page, and then access the Payee Name page.	Set up a payee's personal data, including date of birth, gender, marital status and national identification.
Edit Name	NAME_DFT_SEC	Click the Edit Name link on the Payee Name page.	Change a payee's name.
Biographical Data	PERSONAL_DATA2	Click the Personal Data link on the Create Payee page, and then access the Biographical Data page.	Add and view payee name, addresses, phone information, and email addresses.
Address History	ADDR_HISTORY_SEC	Click the Add Address Detail link on the Biographical Data page.	View a payee's address history.
Edit Address	EO_ADDR_USA_SEC	Click the Update/View Address link on the Address History page.	Change a payee's address.
Personal Data Pa	PERSONAL_DATA_PA	Click the Personal Data link on the Create Payee page, and then access the Personal Data Pa page.	View original dependent beneficiary.
Job Data	PA_RA_JOB_DATA1	Click the Job Data link on the Create Payee page.	Set up a payee's new job data.
Benefit Program Data	PA_JOB_DATA_BENPRG	Click the Job Data link on the Create Payee page, and then access the Benefit Program Data page.	• Set up a payee's new job data. • Record information that a plan uses to determine eligibility for retiree benefits.

Creating a Payee

Access the Create Payee page.

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Create Payee page

Note. If there are already payee rows on the page—for example, for an employee's own payee records—insert a new payee row.

Payee Detail

Benefit Plan

Enter the pension plan that is the source of the pension benefit.

If a payee will receive pension benefits from more than one plan, you have to create separate payee records for each plan.

You can set up additional retiree and QDRO alternate payee records by simply inserting additional rows under the same payee ID and record number (Rcd# Payee).

If a beneficiary requires multiple payee records, you have to access the page using different record numbers in order to correctly associate each beneficiary record with the corresponding retiree record.

Payee Type

Select one of the following values:

- *Retiree:* An employee retiring from active employment.

  The personnel status for the payee record should be employee.

- *Terminated Deferred Vested:* A payee who leaves active employment before retirement but will eventually collect a pension benefit. Even after the person retires, the payee type remains terminated deferred vested. This enables you to report on this value to determine eligibility for retiree medical benefits. The value does not impact the pension payment process, but is important for your actuarial valuation.

  The personnel status for the payee record should be employee.

- *Beneficiary.*

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The personnel status for the payee record should be non-employee.

- *QDRO Alternate Payee.*

  The personnel status for the payee record should be non-employee.

Dep/Benef (dependent or beneficiary)

If the payee type is *Beneficiary* or *QDRO Alternate Payee,* the payee record is based on an existing dependent/beneficiary record, rather than an existing employee record. In this case, the Dep/Benef field appears. You use it to identify the existing dependent/beneficiary record for a non-employee.

Click the Table Lookup button to see a list of the existing dependents and beneficiaries.

Note. You can establish a payee record only for the beneficiaries or QDRO alternate payees who already exist as dependents or beneficiaries of the original employee. If you need to add a beneficiary or QDRO alternate payee, access the Perform Election Entry (BAS_ELECTION_ENTRY) - Dependents/Beneficiaries, using the employee ID of the original employee. You can give a QDRO alternate payee the dependent or beneficiary type *QDRO Rec* (QDRO recipient).

Payee ID

This is the payee's employee ID. Retirees and terminated deferred-vested employees use the same IDs that they used as employees. For this reason, the value that appears in the EmplID field also appears by default in the Payee ID field.

Note. Do not change this value for retirees or terminated vested employees. If you do, you will not be able to complete the Create Payee process.

An individual who has multiple roles—for example, an employee and a beneficiary of another employee—needs a separate payee record number for each role.

Use a naming standard for Employee ID's that is suitable for your needs.

Devise a naming standard for beneficiaries and QDRO alternate payees. Adding a suffix to the originating employee's ID clusters beneficiaries and QDRO alternate payees with the originating employee. Using prefixes, one for beneficiaries and one for QDRO alternate payees, clusters everyone with the same payee type.

When you set up a Beneficiary or a QDRO Alternate Payee, use an existing Employee ID if this Beneficiary or QDRO Alternate Payee already has an Employee ID. Enter a new Payee ID if this person does not have an Employee ID.

Rcd# Payee

Enter the record number for the payee record that you are creating. If a person retires under multiple plans and thus requires multiple record numbers, you can continue to number them sequentially.

You might set up a standard that associates certain record numbers with certain plans. For example, you might always use record number 1 for Plan A payees and record number 2 for Plan B payees.

For a Beneficiary or a QDRO Alternate Payee who already has an existing Employee ID and employee record number, enter a new employee record number. If a Beneficiary or a QDRO Alternate Payee does not already have an

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existing Employee ID and employee record number, you can use any record number that is suitable for your needs.

Pension Status

Personal Data and **Job Data** Click the Personal Data or Job Data link to view a payee's pension status on the personal and job data records.

When you complete the information on the Personal Data and Job Data pages and save the records, the system returns you to the Create Payee page. The links are replaced by messages indicating that the data is complete.

Note. The system automatically sets the Person Type field, displayed on Payee Personal Data 2, to *Pension Payee.* For non-employees, data from the dependent/beneficiary record is automatically transferred to the personal data record.

See Also

Chapter 52, "Establishing Pension Payees," Defining Payee Cross-References, page 530

Entering Payee Records

Pension benefits are always associated with the employee who earned the pension. Therefore, when you establish payee records, you do so based on an existing employee ID.

You use the Create Payee page to create payee records. Because you establish a payee based on an existing employee, you enter this page with an Update/Display action using the existing employee ID.

Selecting a Record Number

When you set up a *retiree record,* enter the person's existing employee ID and enter the record number of the active employment record.

When you set up a *beneficiary or QDRO alternate payee record,* enter the employee ID of the employee who earned the benefit that you are now distributing to a beneficiary or alternate payee.

Reviewing Examples of Record Numbers

Consider the case of an employee, Susan Martinez, her beneficiary, Salvatore Martinez, and her former husband, Carl Vega. Carl was granted part of her pension in their divorce settlement and is therefore a QDRO alternate payee.

When Susan retires, you set up her payee record as record number 1. When she dies, you will set up Salvatore's record. You access the Create Payee page using Susan's employee ID and record number 1.

If Susan receives benefits from two plans, she has two payee records, record number 1 and record number 2. When Susan dies, you set up two payee records for Salvatore, one under Susan's record number 1 and one under her record number 2.

Because employees do not receive pension benefits under an active employment record, you would not set up a beneficiary under an employee's active employment record except in cases of a preretirement survivor annuity, where the employee dies before retiring and pension benefits are due to the beneficiary.

When you set up a beneficiary record under the record number used to pay the original retiree, this provides a crucial link between the beneficiary and the benefit that the retiree receives. This link enables the system to maintain the appropriate beneficiary amounts as the retiree receives cost-of-living adjustments, and to automatically use the adjusted beneficiary amounts when you set up beneficiary payments.

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Note. If a retiree has multiple payee job records corresponding to separate plans, you must set up beneficiaries separately for each plan.

On the other hand, payments to QDRO alternate payees do not depend on the original employees' payments. The two are related, of course, since the original employee's benefit is offset by the amount set aside for the alternate payee. However, you run a separate calculation to determine an alternate payee's pension benefit, rather than basing it directly on the original employee's calculation.

For this reason, you set up QDRO alternate payee records under the originating employee's active service record. This is handy because you typically create an QDRO alternate payee's record at the time of a divorce, while you do not necessarily create an employee's payee record until the employee is ready to retire, which could be years later.

See Also

Chapter 52, "Establishing Pension Payees," Defining Payee Cross-References, page 530

Entering Personal and Job Data

When you click the Personal Data and Job Data links on the Create Payee page, you access pages that are nearly identical to those found in the Personal Data (PERSONAL_DATA) and Job Data (JOB_DATA) components of Human Resources. This section discusses only the fields that affect Pension Administration.

Payee Name Page

Verify that this information is correct and enter new information if required. You must click the OK button to save the data, even if no changes are made.

Edit Name Select this link to access the Edit Name page.

Biographical Data Page

Verify that this information is correct and enter new information if required. You must click the OK button to save the data, even if no changes are made.

Add Address Detail and **Edit/View Address Detail** Select these links to access the Address History page. On the Address History page, select the Update/View Address or Add Address links to access the Edit Address page. Use the Edit Address page to add or edit addresses.

Personal Data Pa Page

The display-only fields at the top of the page are primarily to help you track the origins of non-employees in the system.

Originating Emplid The Employee ID of the originating employee. For retirees, this will be the same ID. In fact, comparing the ID to the Originating Emplid is a quick way to ascertain whether the payee is a retiree or a non-employee.

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Note. When you first enter a payee's personal data, that is, when you come to this page from the Create Payee page, the page displays the personal data that already exists in the HR personal data record. Notice, however, that the Save toolbar button is active. None of this data is permanent until you Save. In particular, the newly assigned person type *Pension Payee* on the second page needs to be saved. Be sure to review this data and make appropriate corrections. For example, there may be a new address.

Original Dependent Beneficiary For non-employees (beneficiaries and QDRO alternate payees), the Original Dependent Beneficiary tells you the person's original ID from the dependent/beneficiary table. This is the value you put in the Dep/Benef field on the Create Payee page.

When you have completed this information for *Retiree* or *Terminated Deferred Vested* payee types on the Payee Name, Biographical Data and Personal Data Pa pages, click the OK button to save the record and return to the Create Payee page. The system will change the payee to a person type of Pension Payee.

Note. Be sure to save the Payee Name and Biographical Data pages even if you do not make any manual changes. If you do not save, the Person Type field does not get set to *Pension Payee,* and the record is not recognized as a payee record.

Job Data Page

Job Data, the first page in the Payee Job Data component, displays selected fields and data from the job record. This payee job is completely independent of the employee's active employment job. Normally, your human resources staff is responsible for maintaining this record; it is not important to pension processing that the termination or retirement be entered into the active employment record.

Payroll Status The system automatically sets the Payroll Status to *Retired - Pension Administration* based on the fact that you created this job using Pension Administration. If you change the Action to *Termination,* or if you add a new row with a termination action, the employee status for that row will automatically switch to *Retired - Pension Paid Out.* Because this is a payee record and not an employee record, the termination action does not kick off a termination workflow.

The payroll status does not affect pension processing, but it can matter to your other HRMS applications. Either of the two pension-related payroll statuses enables other HRMS applications to recognize that this is a payee job record. Therefore, those applications will filter this record from certain processes, such as COBRA processing, that apply to active employees only.

Effective Date The Effective Date defaults to the current date. For retirees and terminated deferred-vested employees, you should change it to the termination or retirement date. For beneficiaries, use the day after the original employee died. For QDRO alternate employees, use the date on the court QDRO.

Action / Reason The Action / Reason defaults to *Retirement* regardless of the payee type.

Company This is a very important field because tax reporting is based on companies. Typically, there is a company for each retirement plan; the company you enter will correspond to the plan you entered on the Create Payee page. If an employee is getting benefits from more than one plan, you will have to create

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	another retiree record after you return to the Create Payee page. You need a new job record.
Tax Loc (tax location)	This is required for Payroll for North America processing. Pension Administration assumes you pay retirees using a third-party trustee, rather than Payroll for North America, and therefore does not require this field.
Benefit Record Number, Service Date, Employee Classification, and **Union Code**	These fields are used by Benefits Administration. If you use Benefits Administration for retiree benefits, be sure you understand how the Benefit Record Number affects retiree benefit eligibility. Compensation rate, which does not appear on this page but which is relevant to Benefits Administration, is automatically set to zero.

Most of the other fields (for example, Standard Hours) are not relevant to a retirement job. Some of the fields are required for all jobs and therefore appear on the page. Others might be of interest if you were to access the active employee job for a pension payee, if for example, if you wanted to look at the union code history.

You can accept any defaults for these fields or, if there are no defaults, enter some standard value in these fields.

Note. Remember that this page uses the same table that stores active employee job data, and there are a number of fields that are not displayed. Although these fields are irrelevant to pension, be aware that they have the same default values as employee job records.

Benefit Program Data Page

The Benefit Program Data page includes information used for Benefits and Benefits Administration. If you are using either of these applications for retiree benefits, enter the appropriate benefit eligibility information here.

When you have completed this information, save the record to return to the Create Payee page.

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Benefit Plans"

Defining Payee Cross-References

This section provides an overview of payee cross references, lists the page used to define payee cross-references, and discusses how to:

- Define payee cross-references.
- Maintain cross-reference information.

Understanding Payee Cross-References

The Payee Cross Reference page is used to display a list of all payee records associated with a selected Employee ID.

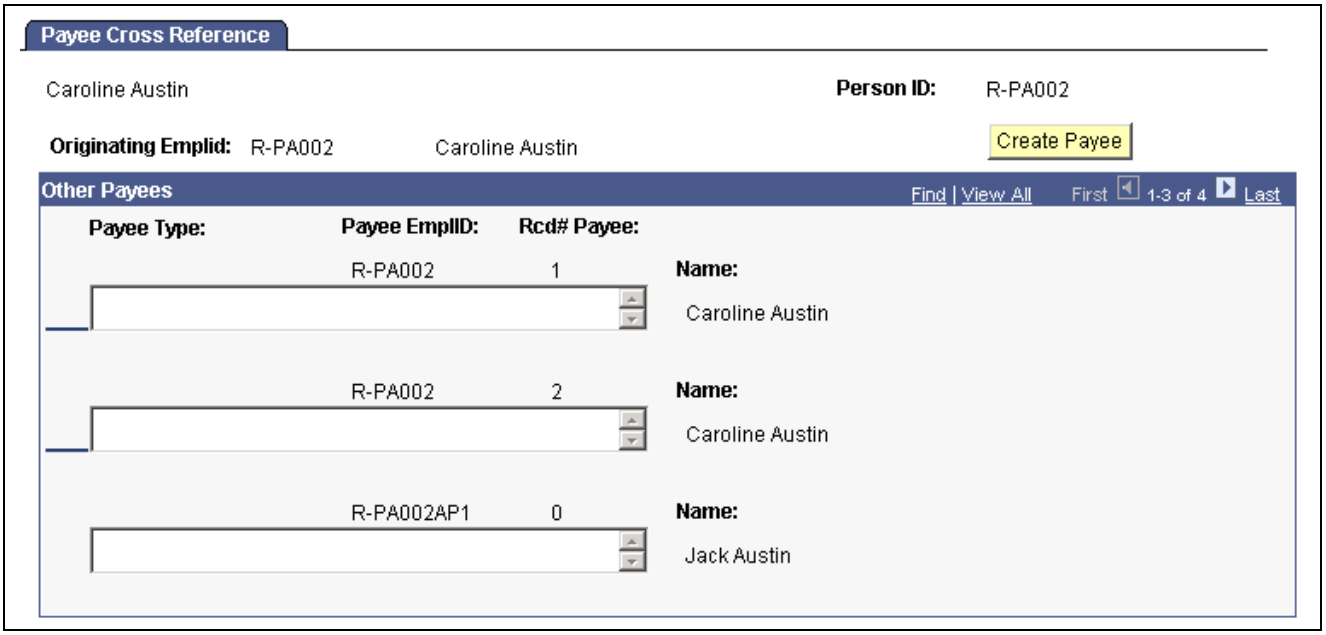
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Page Used to Define Payee Cross-References

Page Name	Object Name	Navigation	Usage
Payee Cross Reference	PA_RT_EMP_XREF	Pension, Payments, Review Payee Cross Reference, Payee Cross Reference	View a list of all the payee records associated with a particular employee.

Defining a Payee Cross-Reference

Access the Payee Cross Reference page.



Payee Cross Reference page

Originating Emplid (originating employee identification)

If the employee is a beneficiary or QDRO alternate payee, this field contains the id and name of the employee who originally earned the pension that the non-employee will collect.

If the employee is a retiree or is terminated deferred-vested, the originating employee is the same person as the retiree.

Other Payees

This section displays all the retiree job records for the employee. It also shows any beneficiaries or QDRO alternate payees who are entitled to a portion of the employee's benefit.

Payee Type

For each payee listed, the payee type displays *Retiree, Terminated Deferred Vested, Beneficiary,* or *QDRO Alternate Payee.*

Payee EmplID (payee employee ID)

For retirees and terminated deferred-vested employees, the payee ID is the same as the employee ID.

Rcd# Payee (payee record number)

The payee record number is the job number, a sequential number that identifies each job you create. So, for example, if you create three retiree jobs for an employee, because the employee is collecting pension benefits from three plans, you see the three different job numbers here.

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For a retiree or terminated deferred-vested employee, an active employment record represents a “real” job, not a retiree job. A record number for a beneficiary or QDRO alternate payee represents a payee record.

Name This field displays the name of the payee.

Maintaining Cross-Reference Information

You create each payee record based on an existing record. Retiree and QDRO alternate payee records are based on employee records. Beneficiary records are based on retiree records except when the benefit comes from a preretirement survivor annuity, in which case the beneficiary record is based on an employee record. These relationships are preserved on the Create Payee page, where you can see all the payees created under a given record.

Once you create the records, there is no automatic link between the payee records you created and the data on the Create Payee page. So if you delete a beneficiary row on the Create Payee page, you lose the ability to look up the relationship between the retiree and the beneficiary on the Payee Cross Reference page. Conversely, if you delete the beneficiary’s personal and job data records without deleting the beneficiary from the Create Payee page, the cross-reference would still tell you that person existed.

If you delete payee records, be sure to also delete the row on the Create Payee page where you originally created the records. If you delete a row from the Create Payee page after completing the payee setup, you must also delete the records you created.

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CHAPTER 53

Preparing Pension Payments

This chapter provides an overview of payment streams and discusses how to:

- Record payee elections.
- Schedule payments.

Understanding Payment Streams

There are several reasons why you might set up multiple payments to a single payee. The simplest case is when a payee receives a benefit from more than one plan. In this case, you set up multiple retiree jobs, and set up separate payment schedules under each job.

Sometimes, however, there are separate payment streams within a single plan. This occurs when some aspect of the payment, typically the optional form or the funding provider, is different for a portion of the benefit. You set up both payment streams under the same record number (Rcd#), and distinguish between the payment streams with a payment number.

For example, suppose an employee has the option to withdraw contributions as a lump sum and take the remainder of the pension benefit as a single life annuity. In this case, the lump sum portion of the payment represents a separate payment stream from the annuity portion. A similar situation occurs when a pension is funded by two different providers—for example, following a merger or acquisition.

When you have two separate payment streams, the payment statuses are independent. Both payments can be active, or you can stop, defer, or suspend one payment stream without affecting the other.

Recording Payee Elections

This section provides an overview of payee elections, lists the pages used to define payee elections, and discusses how to:

- Define the payee form selection.
- Define payee maintenance.

Understanding Payee Elections

Payee elections are the choices that participants make with regard to their pension payments. These include the optional form of payment, tax withholding elections, direct deposit data, and deduction information.

You can monitor the receipt of election forms using the Activity List page. Additionally, there are specific pages where you record the actual elections.

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You only record optional form of payment selections for retirees and QDRO alternate payees. Beneficiaries do not make this selection because their payments are based on the original employee's choice. Be sure to record the optional form of payment selection *before* scheduling the payment; this enables the system to enter payment amounts into the schedule automatically.

All payees require tax elections. Direct deposit information and deduction information are optional. This information is not needed to schedule a payment, but it is needed before you actually start paying a person.

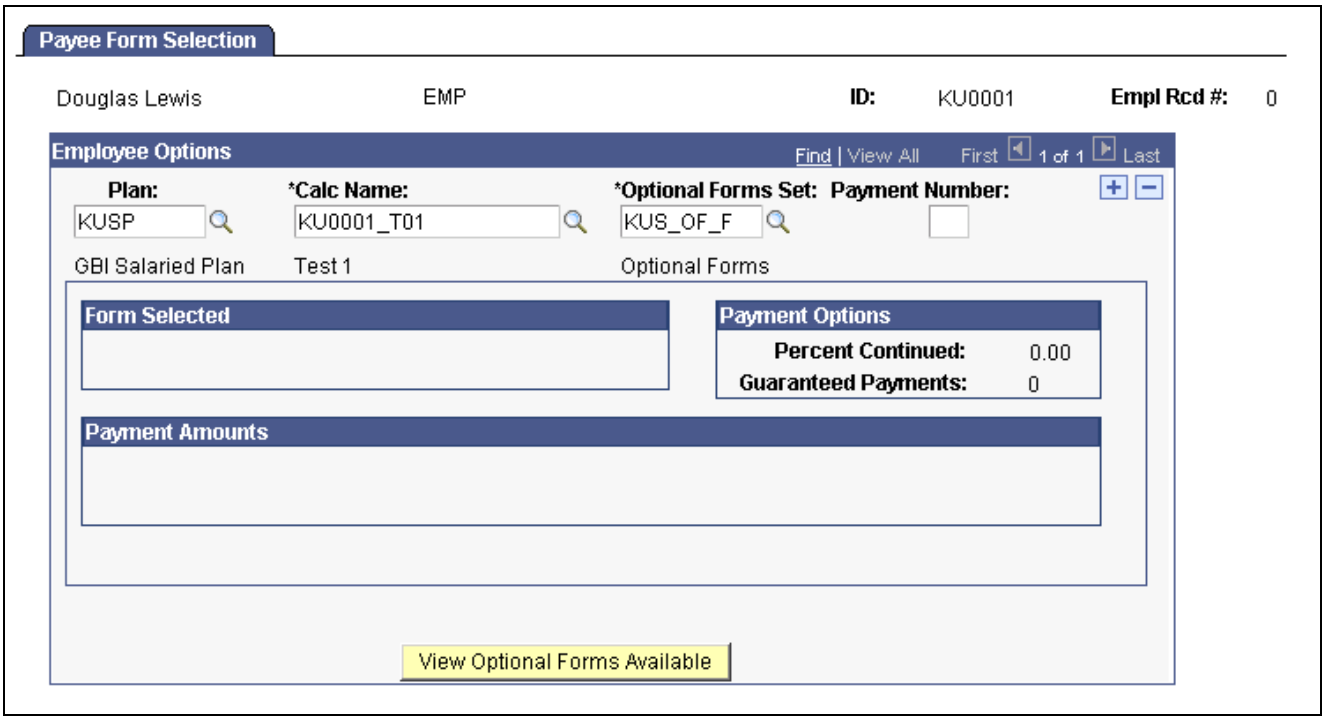
Pages Used to Define Payee Elections

Page Name	Object Name	Navigation	Usage
Payee Form Selection	PA_RT_EMP_FORM	Pension, Payments, Identify Optional Form, Payee Form Selection	If you use Pension Administration to calculate optional forms of payment for a retiree or a QDRO alternate payee, you can record the payee's selection here. When you record the information here, the system calculates amounts that can be automatically transferred to the payment schedule page when you schedule payments.
Payee Maintenance	PA_RT_EMP_XFER	Pension, Payments, Identify Payment-Related Info, Payee Maintenance	Record other payment-related information.

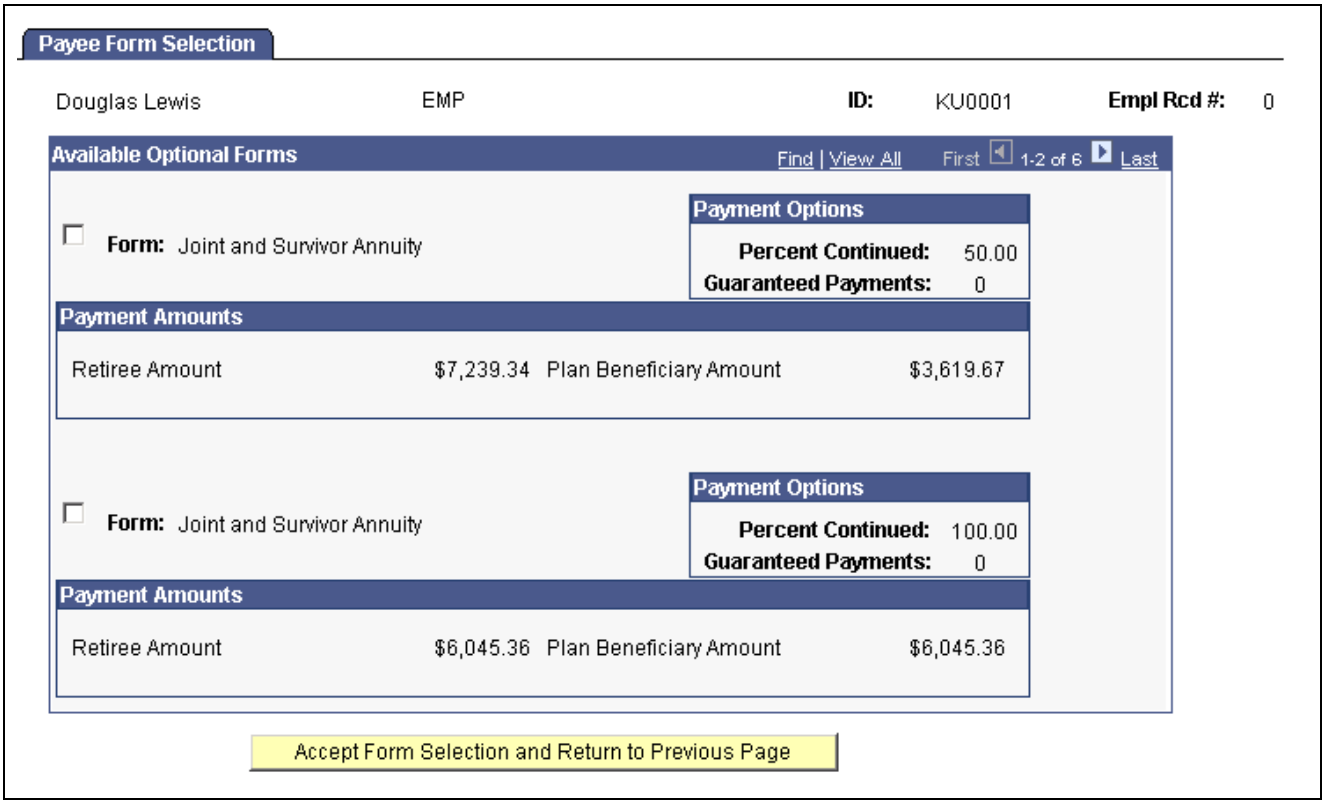
Defining the Payee Form Selection

Access the Payee Form Selection page.

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Payee Form Selection page (1 of 2)



Payee Form Selection page (2 of 2)

Note. If you do not schedule payments using system calculated values, you do not need to record the optional form of payment selection on this page.

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Form Selected and **Payment Amounts** — If the Form Selected and Payment Amounts group boxes are blank, you have not yet recorded an optional form of payment selection.

Employee Options

When an employee's optional form of payment choices come from a system calculation, you can prompt for the same list of choices that the employee had. To do that, you fill in the fields in this group box, then click the View Optional Forms Available button.

Plan — Indicate the plan that was the basis for the employee's choice.

Calc Name (calculation name) — Indicate the calculation name that was the basis for the employee's choice.

Optional Forms Set — Indicate the optional forms set that was the basis for the employee's choice. This is necessary because a calculation can produce several different sets of values. For example, there may be forms sets based on early retirement and normal retirement. Contributory plans may also have separate form sets for the employee- and employer-paid portions of a benefit.

Payment Number — Enter a payment number. You use this number to distinguish among multiple payment streams, if necessary. If there is only a single payment stream, enter *1*. If there are multiple streams, number them sequentially.

View Optional Forms Available — Click this button to see a scrolling list of the optional forms of payment. All other fields disappear.

Note. This option is only available in new rows. After you save an optional form selection, you cannot redisplay the choices without first deleting the row.

Using the Scrolling List of Forms

Each form is identified by a description, the percent continued for forms with a survivor benefit, and the guaranteed payments for term certain and certain and continuous forms.

Note. The guaranteed payments actually represent the number of years of guaranteed payments, not the number of guaranteed payments. For each form, you see the associated payment amounts.

The payee amounts are labeled to distinguish among the types of benefits.

There are four types of retiree payments:

Retiree Payment Type	Description
Retiree Amount	Amount due to the retiree. Except in the case of lump sums, this is normally a monthly amount payable until death.

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Retiree Payment Type	Description
Retiree Pre-SSRA Amount (retiree pre-social security retirement age amount) Retiree Post-SSRA Amount	Under a level income option (LIO), the retiree's benefit is higher before the retiree reaches social security retirement age (SSRA), and is lower afterwards when the retiree has presumably started receiving social security benefit. Therefore, LIO forms produce two separate retiree amounts, identified as the pre- and post-SSRA amounts.
Pop Up Amount	Under a pop-up form of payment, the retiree amount increases if the beneficiary predeceases the retiree. The pop-up amount is this increased retiree amount.

There are four types of beneficiary payments:

Payment Type	Description
Plan Beneficiary Amount	Amount payable to a spouse beneficiary on the retiree's death. This can come from two different sources: a joint and survivor form (or any form which includes a percent continued) elected by the retiree, and an automatic plan benefit for which there is no actuarial reduction.
Non-spouse Beneficiary Amount	Amount payable to a non-spouse beneficiary after the retiree's death under a joint and survivor form of payment.
Spouse Demonstration J&S (spouse demonstration joint and survivor)	If a married retiree selects a non-spouse beneficiary, the retiree's spouse is entitled to know the amount that would have been payable to the spouse had the retiree named the spouse as the beneficiary, instead of naming a non-spouse beneficiary. This is different from the non-spouse beneficiary amount because the actuarial adjustment is based on the spouse's age, rather than the non-spouse beneficiary's age. This type of payment is not actually available for payments; it is informational only.
Survivor Amount	In a last to survive form of payment, the amount due to the retiree or spouse after the other one has died.

Some forms may have zero amounts. These are forms that are offered by a plan, but are not available to a particular employee. These could include joint and survivor forms of payment for employees with no beneficiaries, level income options for employees older than the level income age, and any form of payment for an employee whose lump sum falls under the small benefit cashout threshold.

Form Select to indicate the form of payment that an employee has chosen.

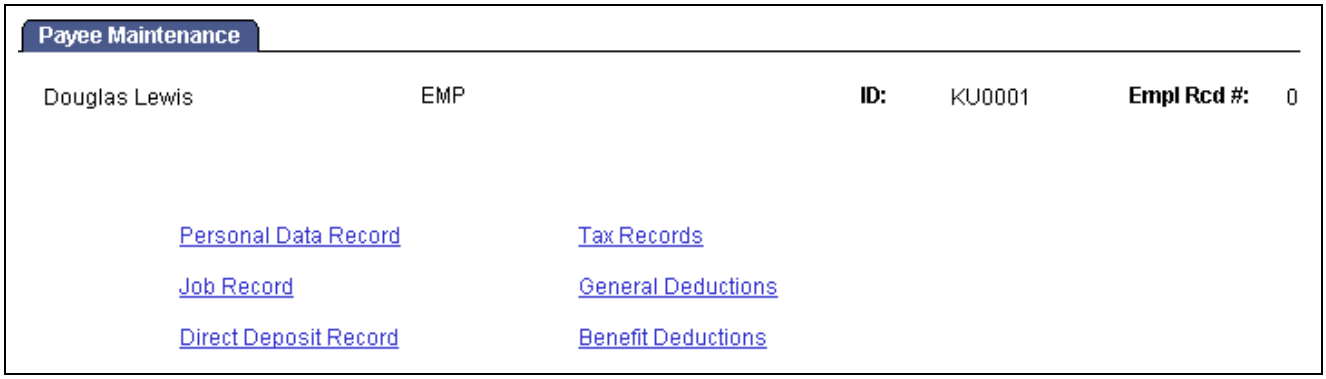
Accept Form Selection and Return to Previous Page Click to copy the selected form to the previous page.

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If there are multiple payment streams based on system calculations, be sure to set up optional form of payment selections for each stream. To do this, insert an additional row for the second payment stream.

Defining Payee Maintenance

Access the Payee Maintenance page.



Payee Maintenance page

Personal Data Record and **Job Record**

Because you have already set up the payee's personal data and job data, you do not usually need to return to those pages when you set up payments. However, if there has been a change of address or other relevant data, you can use the Personal Data Record and Job Record buttons to navigate to the appropriate page.

Direct Deposit Record and **Tax Records**

The Direct Deposit Record and Tax Records buttons take you to the PeopleSoft Enterprise Payroll for North America pages, where you record employee direct deposit and tax election information. Tax elections are always required. Direct deposit information is required for employees who want to take advantage of this option.

Note. There are no default tax elections. You must enter tax elections in order to pass this information along to the third-party trustee who cuts your pension checks.

General Deductions

The General Deductions button takes you to the General Deduction Data page, where you sign up retirees for non-benefit deductions, such as garnishments. You can also use general deductions for benefit deductions if your deduction is a flat amount or a percentage of gross pay. You do not need to run a process to calculate the deduction. The instructions picked up by the trustee extract, a flat amount or a percentage of gross pay, are sufficient for your trustee to determine the deduction amount.

You can use the General Deduction Data page to set up medical or other benefit deductions if you know the deduction amount, and you do not want to go through the more complex process of administering benefit deductions using PeopleSoft Enterprise Human Resources Manage Base Benefits business process or PeopleSoft Enterprise Benefits Administration.

Note. Each button on this page opens a new page. Remember to close pages when you finish with them.

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Benefit Deductions

The Benefit Deductions button takes you to the Benefit Program Participation page, where you enroll retirees in benefit programs. Enrolling retirees in benefit programs does not automatically sign them up for medical or other benefits; it simply establishes that they're eligible for such benefits. To learn more about using the PeopleSoft Enterprise HRMS system to manage retiree benefits, refer to your PeopleSoft Enterprise Human Resources Manage Base Benefits business process and PeopleSoft Enterprise Benefits Administration documentation.

Note. Benefit deduction elections only translate into actual deduction amounts if you use PeopleSoft Enterprise Payroll Interface to calculate the deductions amounts. To run the deduction calculation, use the Deduction Calculation Run Ctl page.

With the exception of the Personal Data Record and Job Record links, the links on the Payee Maintenance page are shortcuts to take you to other pages in the PeopleSoft system. You can also navigate directly to these pages:

Button	Page Navigation	See Also
Direct Deposit Record	Payroll for North America , Employee Pay Data, Request Direct Deposit	See *PeopleSoft Enterprise Payroll for North America 9.0 PeopleBook*, "Maintaining Payroll Data," Setting Up Direct Deposits.
Tax Records	Payroll for North America, Employee Pay Data, Tax Information, Employee Tax Information Rpt.	See *PeopleSoft Enterprise Payroll for North America 9.0 PeopleBook*, "Maintaining Payroll Data," (USA) Entering U.S. Employee Tax Data.
General Deductions	Payroll for North America, Employee Pay Data, Deductions, Create General Deductions	See *PeopleSoft Enterprise Payroll for North America 9.0 PeopleBook*, "Maintaining Payroll Data," Setting Up Employee General Deductions.
Benefits Deductions	Benefits, Enroll in Benefits, Assign to Benefits Program	See *PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits*, "Building Base Benefit Programs".

See Also

Chapter 52, "Establishing Pension Payees," Creating Payees, page 523

PeopleSoft Enterprise Payroll Interface 9.0 PeopleBook, "Understanding PeopleSoft Enterprise Payroll Interface"

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Setting Up Benefit Plans"

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Entering and Reviewing Rollover Information

This section provides an overview of Defined Benefit Plan rollovers, lists the pages used to enter and review Defined Benefit Plan rollover information and discusses how to:

- Enter rollover information for a Payment Schedule or a Manual Schedule.
- Enter rollover information for a Contribution Withdrawal.
- Review retiree payment results for a Payment Schedule or a Manual Schedule.
- Review retiree payment results for a Contribution Withdrawal.
- Review Trustee Extract flat file content for Payment Schedules or Manual Schedules.
- Review Trustee Extract flat file content for Contribution Withdrawals.

Understanding Defined Benefit Plan Rollovers

Internal Revenue Code Section 401(a)(31) requires qualified Defined Benefit Plans to allow rollovers out of the Plan to other qualified plans or to individual retirement accounts (IRAs). For most plans this requirement is in effect for distributions after 12/31/2001.

Rollovers can come from two sources: a) Payment Schedule or a Manual Schedule, or b) Contribution Withdrawal.

Note. A Payment Schedule and a Manual Schedule use the same component and the same pages and tables. Therefore, the combination of a Payment Schedule and a Manual Schedule is considered just one source and not two sources of rollovers.

Rollover Information is entered with regard to a Payment Schedule. A Retiree Payment process is run in Preliminary Mode and then in Confirmation Mode. Rollover Information appears in Trustee Extract flat file. A rollover amount from a Payment Schedule may include an amount from a One-Time Adjustment.

Rollover Information is entered with regard to a Manual Schedule. A Retiree Payment process is run in Preliminary Mode and then in Confirmation Mode. Rollover Information appears in Trustee Extract flat file. A rollover amount from a Manual Schedule may include an amount from a One-Time Adjustment.

Rollover Information is entered for a Contribution Withdrawal. A Retiree Payment process is run in Preliminary Mode and then in Confirmation Mode. Rollover Information appears in Trustee Extract flat file and will be displayed online.

Purge Processing deletes Rollover Information appropriately.

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Pages Used to Enter and Review Rollover Information

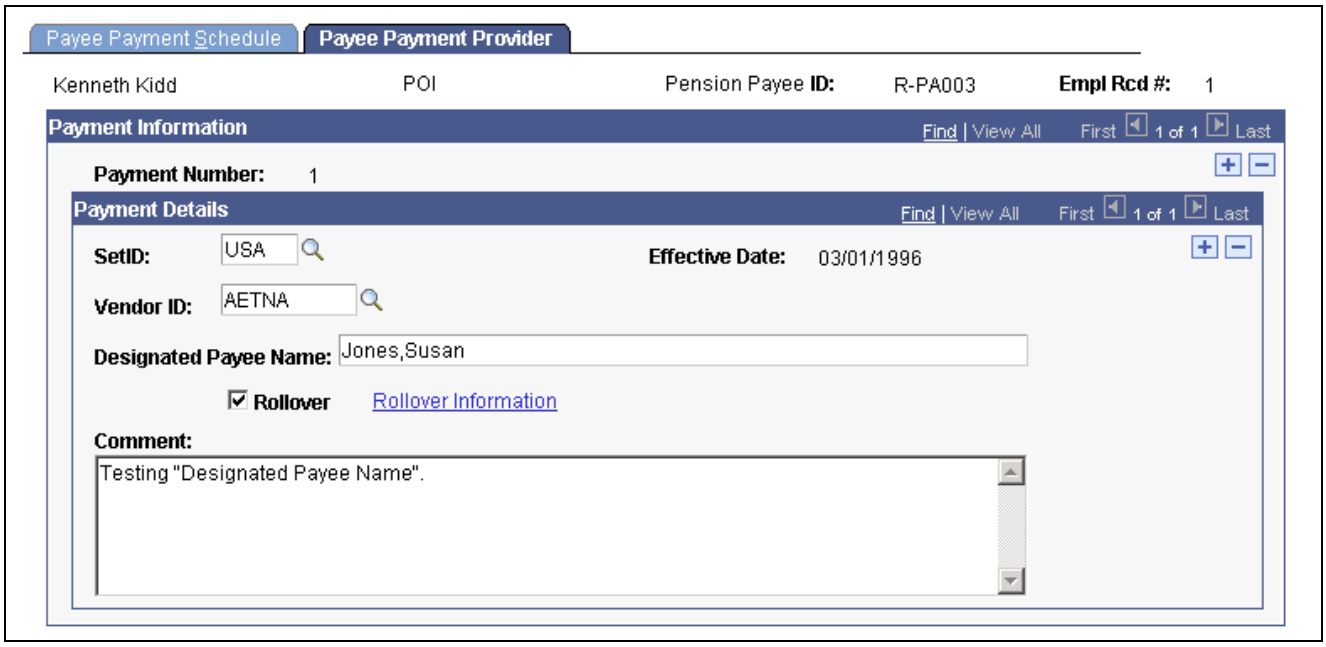
Page Name	Object Name	Navigation	Usage
Payee Payment Provider	PA_RT_PAY_SCHED3	Pension, Payments, Request Payment Schedule, Payee Payment Provider	Enter descriptive information about a payment.
Payment Rollover Account	PA_RT_SCHED_RLOVR1	Click the Rollover Information link on the Payee Payment Provider page.	Enter descriptive information about a rollover account.
Payment Rollover Account - Rollover Institution page	PA_RT_SCHED_RLOVR2	Click the Rollover Information link on the Payee Payment Provider page.	Enter information for a rollover institution.
Payee Manual Provider	PA_RT_PAY_SCHED3	Pension, Payments, Create Manual Schedule, Payee Manual Provider	Enter descriptive information about a payment.
Contribution Withdrawal	PA_WTHDRW_CTB	Pension, Payments, Withdraw Contribution, Contribution Withdrawal	Enter the transaction when an employee elects to withdraw contributions.
Contribution Rollover Account	PA_CONTR_RLOVR1	Click the Rollover Information link on the Contribution Withdrawal page.	Enter account information.
Contribution Rollover Account - Rollover Institution page	PA_CONTR_RLOVR2	Click the Rollover Information link on the Contribution Withdrawal page.	Enter information for a rollover institution.
Scheduled Rollover	PA_RT_SCHED_RLOVR	Pension, Payments, Review Payment Results, Scheduled Rollover	Displays information for a retirement payment process.
Contribution Rollover	PA_RT_CTB_RLOVR	Pension, Payments, Review Payment Results, Contribution Rollover	Displays information for a contribution rollover.

Entering Rollover Information for a Payment Schedule or a Manual Schedule

Objects used for Manual Schedule Rollover Information are the same as those that are used for Payment Schedule Rollover Information.

Access the Payee Payment Provider page.

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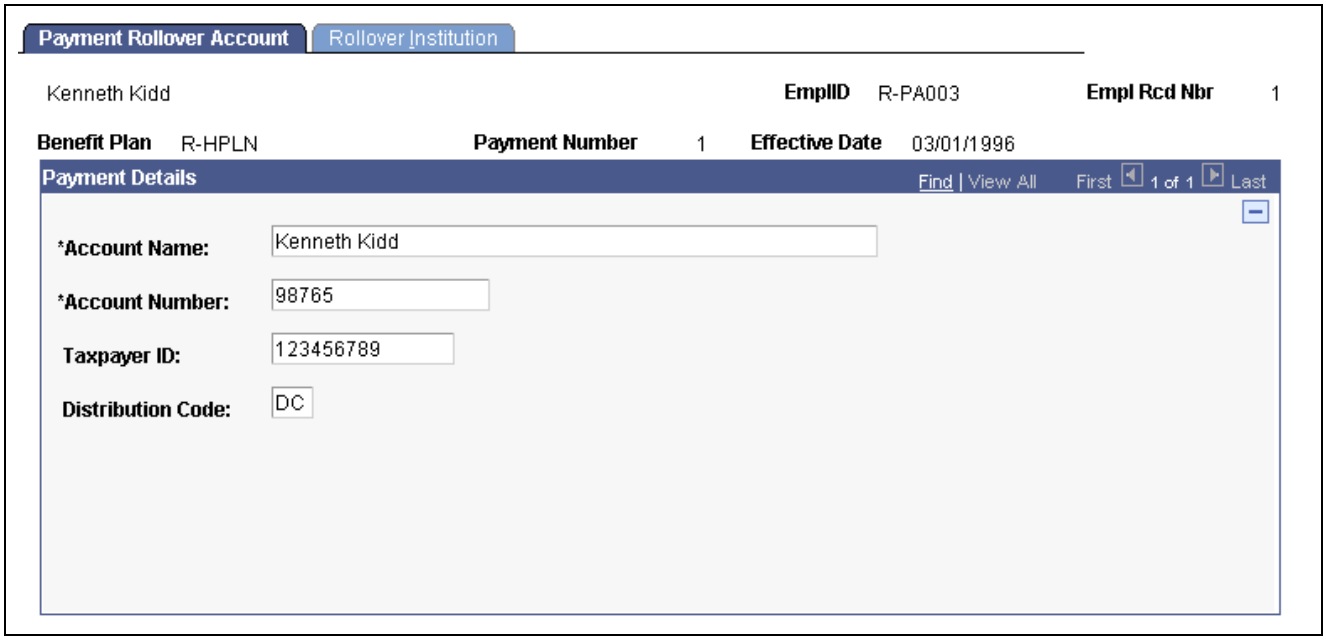


Payee Payment Provider page

Rollover Check Rollover check box to initiate a rollover.

Rollover Information Select to access the Payment Rollover Account page in order to enter or review rollover information.

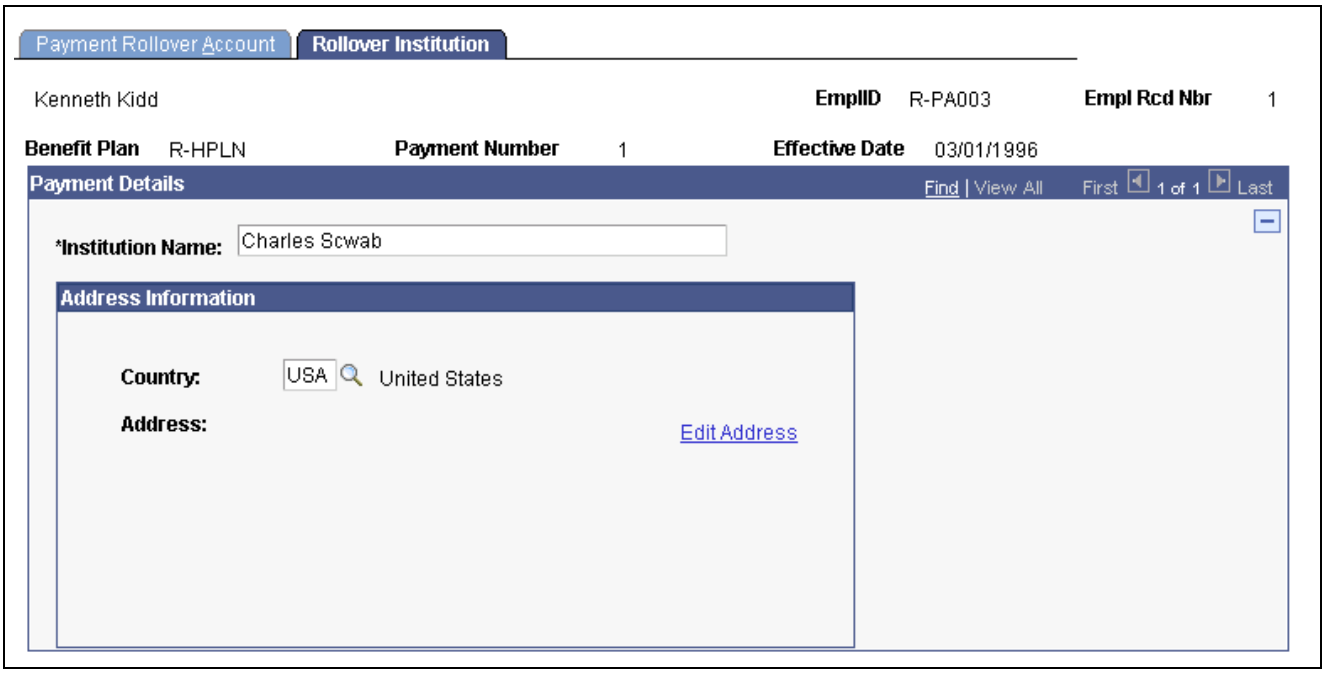
Access the Payment Rollover Account page.



Payment Rollover Account page

Access the Payment Rollover Account - Rollover Institution page.

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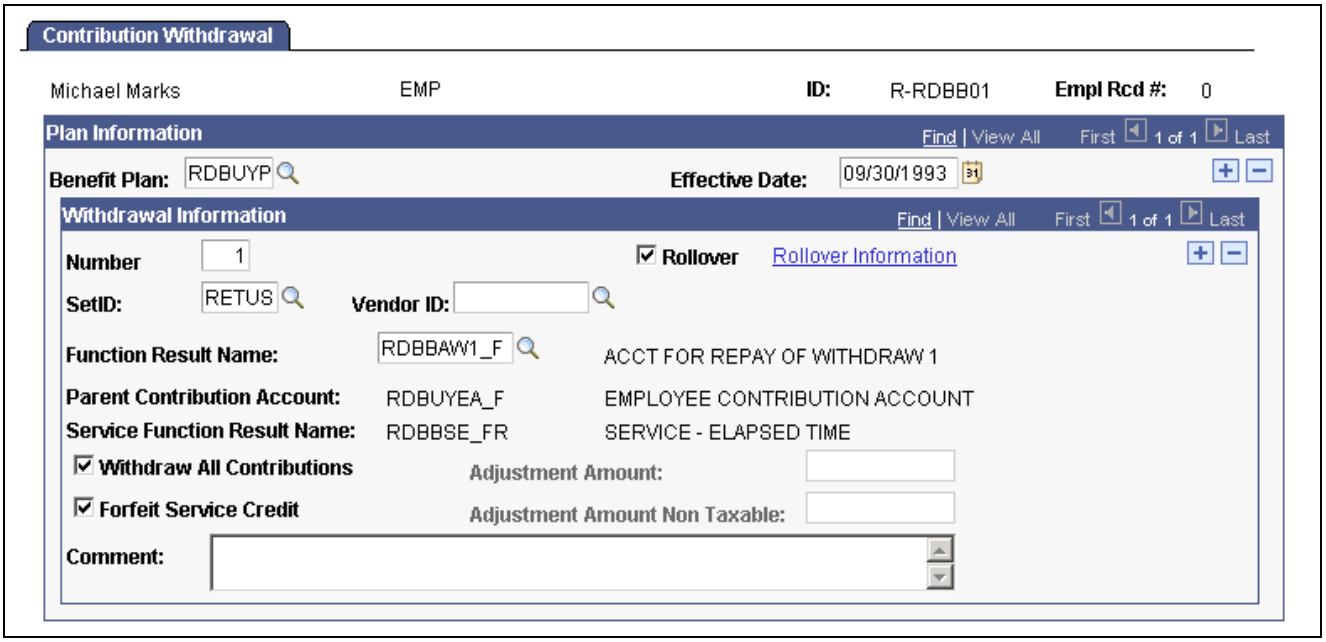


Payment Rollover Account - Rollover Institution page

Click Edit Address to enter address information.

Entering Rollover Information for a Contribution Withdrawal

Access the Contribution Withdrawal page.



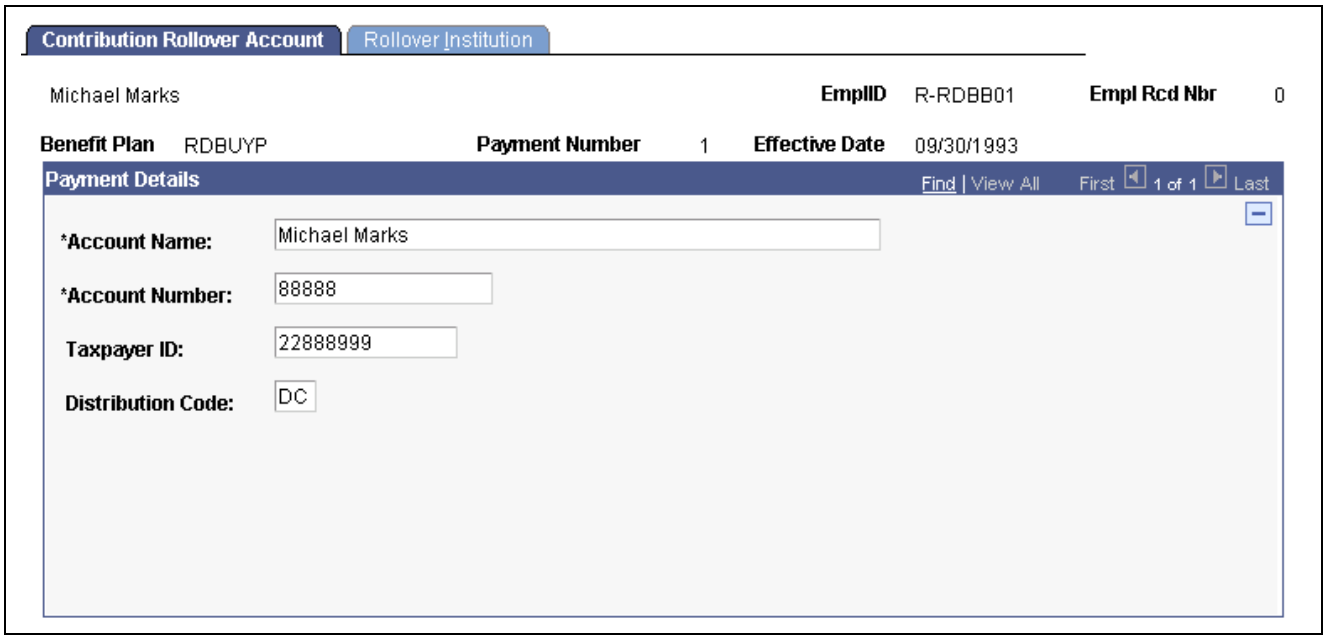
Contribution Withdrawal page

Rollover Select to enable Rollover Information link.

Rollover Information Select to access the Payment Rollover Account page in order to enter or review rollover information.

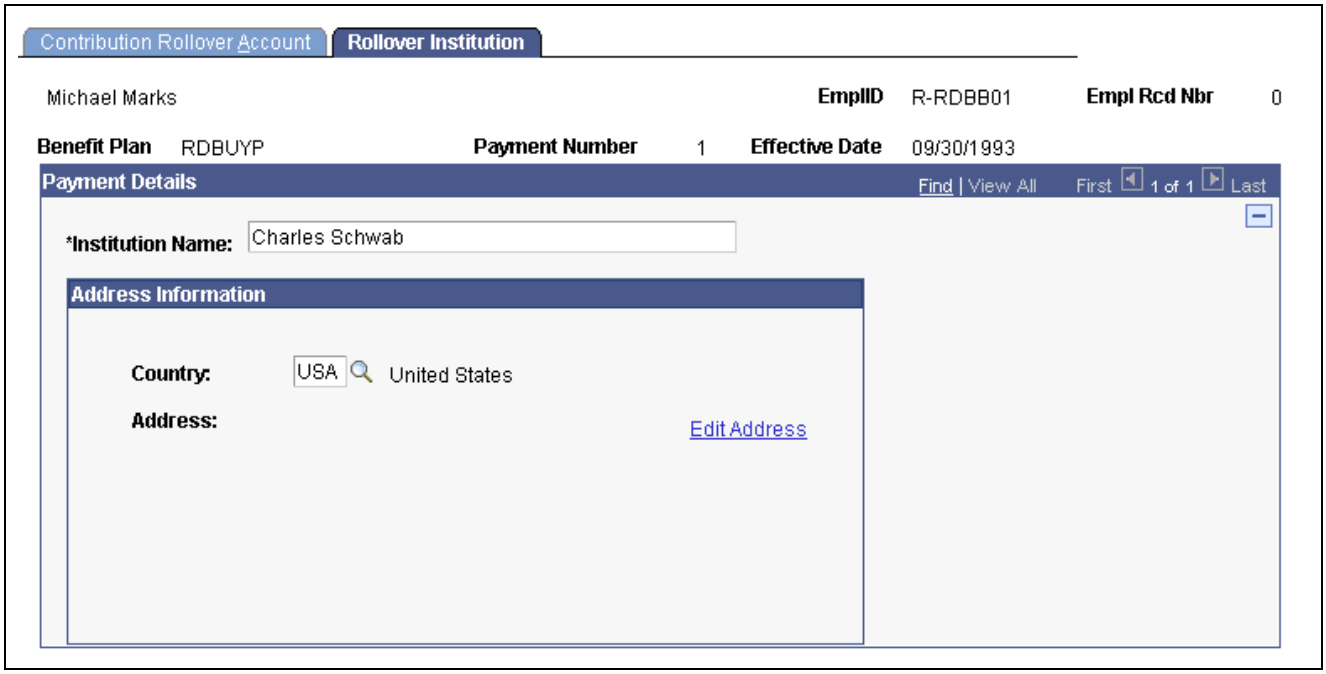
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Access the Contribution Rollover Account page.



Contribution Rollover Account page

Access the Contribution Rollover Account - Rollover Institution page.

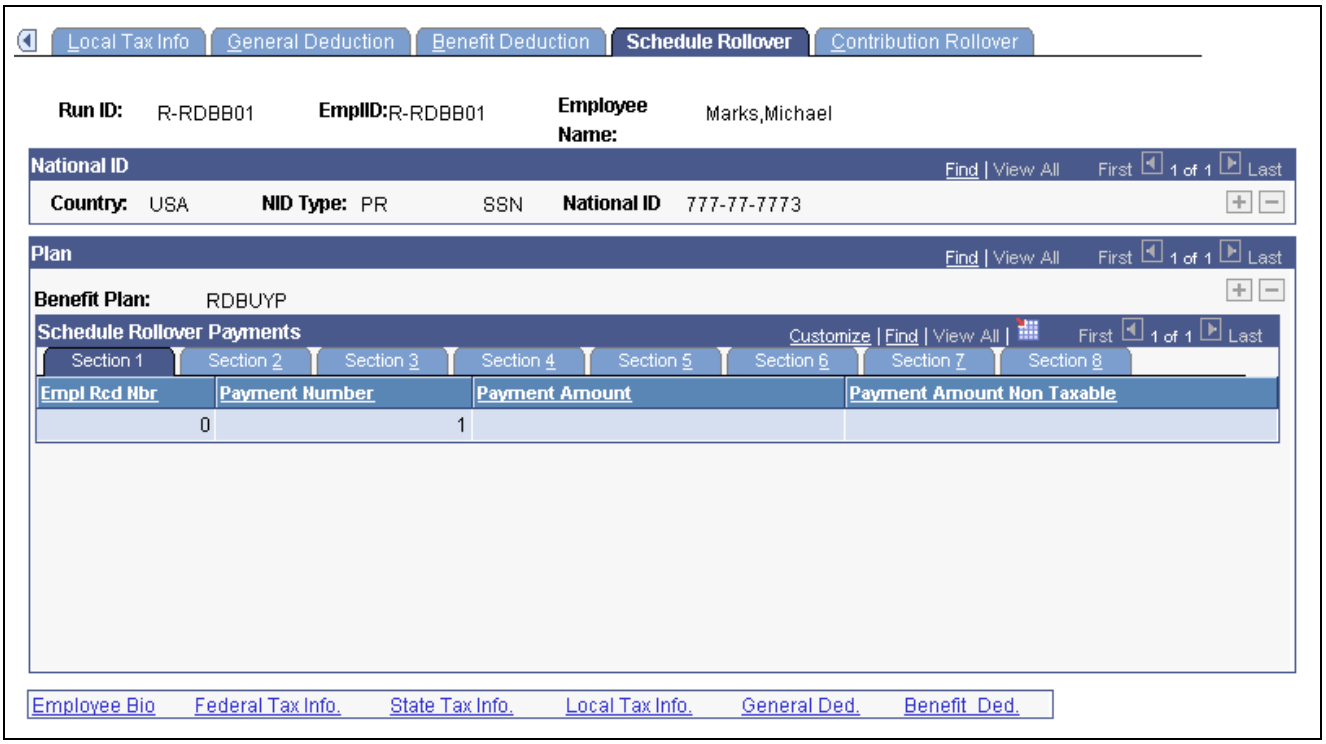


Contribution Rollover Account - Rollover Institution page

Reviewing Retirement Payee Results for a Payment Schedule or a Manual Schedule

Access the Schedule Rollover page.

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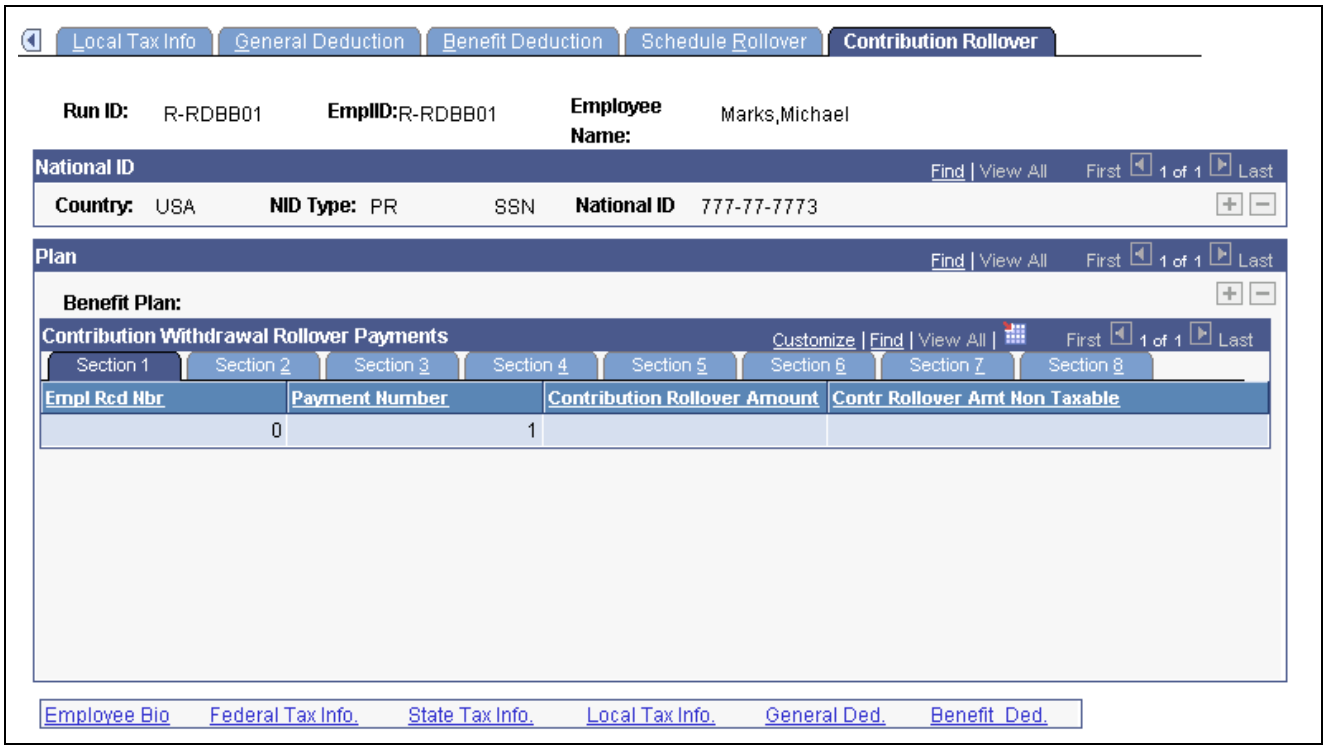
Schedule Rollover page

Click on each Section tab to review section information.

Reviewing Retirement Payee Results for a Contribution Withdrawal

Access the Contribution Rollover page.

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Contribution Rollover page

Click on each Section tab to review section information.

Scheduling Payments

This section provides an overview of scheduled payments, lists the pages used to define payee payment schedules, and discusses how to:

- Define the payee payment schedule.
- Define payee payment providers.
- Define the payee manual schedule.
- Define the payee adjustment schedules.
- Schedule payments for terminated deferred-vested employees.

Understanding Scheduled Payments

In order to pay retirees with Pension Administration, you set up scheduled payments. If the system already has a record of the payment amount, you schedule payments in the Request Payment Schedule (PAY_SCHED) component.

For retirees, terminated deferred-vested employees, and QDRO alternate payees, you can use these pages when the payment is based on a system calculation, and you have recorded the payee's form of payment selection on the Payee Form Selection page.

For beneficiaries, you use these pages when there is already a payment schedule for the original employee and that schedule includes information about the beneficiary amount.

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If the payment amount comes from a manual calculation, or if you are setting up a beneficiary for a retiree who was never in the PeopleSoft system, use the Payee Manual Schedule page to set up payments.

Both pages display the same information. If you set up a payment automatically, you can use the Payee Manual Schedule page to override the automatic entries, or to add effective-dated changes to the payment information. Conversely, payment information entered on the Payee Manual Schedule page is accessible, though not editable, on the Payee Payment Schedule page. When you apply cost of living adjustments, either manually or though the system's automated process, those adjustments appear on both pages.

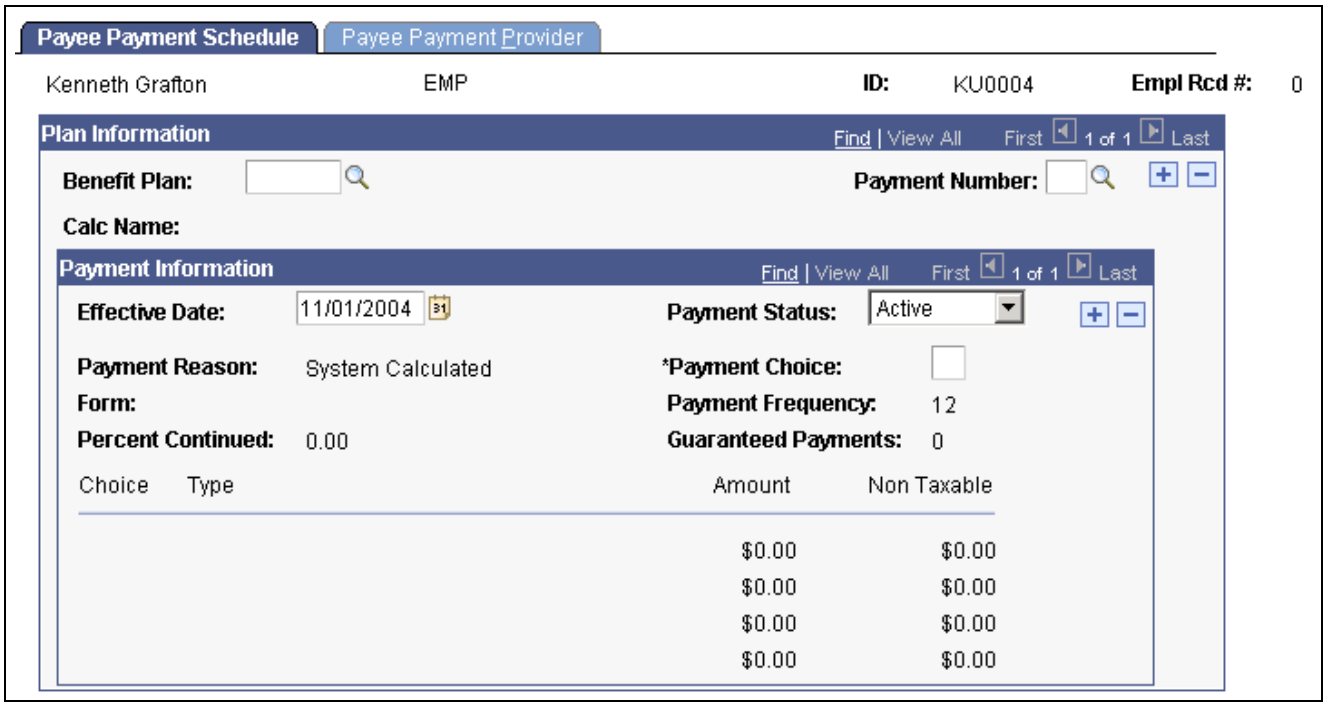
Pages Used to Define Payee Payment Schedules

Page Name	Object Name	Navigation	Usage
Payee Payment Schedule	PA_RT_PAY_SCHED	Pension, Payments, Request Payment Schedule, Payee Payment Schedule	• Set up payments if you use a system calculation as the basis for your payments or if you set up beneficiary payments based on an existing retiree schedule. • Stop payments in the event of a retiree's death.
Payee Payment Provider	PA_RT_PAY_SCHED3	Pension, Payments, Request Payment Schedule, Payee Payment Provider	Enter descriptive information about a payment.
Payee Manual Schedule	PA_RT_PAY_SCHED4	Pension, Payments, Create Manual Schedule, Payee Manual Schedule	Set up the schedule when you schedule payments for payees who do not have payment amounts already in the system, either in a system calculation or, for beneficiaries, in a retiree's payment schedule.
Payee Adjustment Schedule	PA_RT_ADJ_SCHED	Pension, Payments, Make One-Time Adjustments, Payee Adjustment Schedule	Schedule one-time payments. **Note.** Occasionally, you need to make payments that are not based on the payee's regular pension benefit.

Defining the Payee Payment Schedule

Access the Payee Payment Schedule page.

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Payee Payment Schedule page

Plan Information

For employees and QDRO alternate payees, the system automatically transfers the information from the Payee Form Selection page onto the Payee Payment Schedule page. The Benefit Plan, Calc Name and Payment Number fields automatically appear, along with information about the form of payment, and a list of the payment options available for that form. If you set up multiple payment streams in the same plan (for example, multiple payment numbers), the system picks up the first one; insert additional rows so you can set up the additional payment streams. If you have not entered an optional form selection, you need to go back and do that first, or use the Payee Manual Schedule page.

For beneficiaries, the system automatically transfers the information from the payment schedule of the original employee. For example, if Roger retires with a 50 percent joint and survivor payment option, his payment schedule shows both the amount of his retiree payments, 1,000 USD, and the amount of the beneficiary payments for his wife Liz: 500 USD. The system maintains this information through the life of Roger's payments. If Roger receives a 5 percent cost of living adjustment, his payment record shows the increased amounts for both Roger and Liz: 1,050 USD and 525 USD respectively. When you set up Liz's payments, the system gets the current beneficiary amount from Roger's payment schedule.

If Roger receives benefits from multiple plans, he has multiple record numbers (Rcd#). You have set up two records for Liz, one under each record number. The system matches Liz's record to the appropriate one of Roger's records in order to get the appropriate information.

Payment Information

Effective Date and **Payment Status**

The Effective Date and Payment Status fields control the actual payments.

When you run the payment process, the system compares the effective date to the pay period end date to determine the current row.

Possible Payment Status values include:

- *Active:* When the current row has an active status, the system creates a payment record with the payment amount you choose.

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- *Deferred:* There is no payment. Use when setting up terminated deferred-vested employees.
- *Stopped:* There is no payment.
- *Suspended:* There is no payment.

The payment status also impacts the payee's pension status. When the payment process discovers an initial payment, it puts the payee into the in pay pension status. When the system discovers that payments have been suspended or deferred, it sets the pension status to deferred, and when it discovers that payments have been stopped, it sets the pension status to payment complete. As the system switches the pension status, it retains the prefix that identifies the payee type: retiree (or disability retiree), terminated deferred-vested employee, beneficiary, or QDRO alternate payee.

PeopleSoft's effective dating enables you to set up payment instructions as far in advance as you need. For example, if Meredith selects a ten year certain form of payment, you can enter an active row effective as of the benefit commencement date and a stopped row effective ten years later. If Luis selects a level income option, you can set up one row with the pre-SSRA payment amounts and another row, future dated to the date when Luis attains social security retirement age, with the post-SSRA amount.

Note. You can also use this page to stop payments in the event of a retiree's death. This is discussed in "Administering Pension Payees."

Payment Reason

When you schedule payments on the Payee Payment Schedule page, retirees, terminated vested employees, and QDRO alternate payees, automatically have a payment reason of *System Calculated.* For beneficiaries, the system automatically sets the payment reason to *Benef.* When you schedule payments from the Payee Manual Schedule page, you have additional options for this field.

The payment reason is informational only; it does not affect payment processing.

Form

This field describes the optional form of payment.

Payment Frequency

This field indicates the payment frequency. This is usually 12, since most pension payments are monthly.

Percent Continued

This field indicates what percentage of a retiree's benefit will continue to the surviving spouse when the retiree dies.

Guaranteed Payments

This field indicates how many years of payments are guaranteed for term certain forms of payment.

Choice

This field indicates has numbers that identify each payment type. This enables you to specify which of the values to use.

Payment Choice

Specify which of the values to use by entering the number of your choice in the Payment Choice field. For example, if Yolanda selects a joint and survivor option with a spouse beneficiary, there are two choices: choice one is the retiree amount and choice two is the plan beneficiary amount. When Yolanda retires, you schedule payments for choice one. When she dies and you set up survivor benefits for her husband, you select choice two.

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Similarly, if Luis selects a level income option, you can set up one row with the pre-SSRA payment amounts and another row, future dated to the date when Luis attains social security retirement age, with the post-SSRA amount.

Type Payment amounts relevant to the chosen form of payment appear in the bottom part of the page. The type describes the various payment types available: retiree amounts and any plan (spouse) beneficiary or contingent (non-spouse) beneficiary amounts.

Amount The amount is the gross amount of the pension check. If a portion of the amount is attributed to employee after-tax contributions, then that portion is considered nontaxable.

Non Taxable The nontaxable amount tells you how much of each pension check should be considered nontaxable.

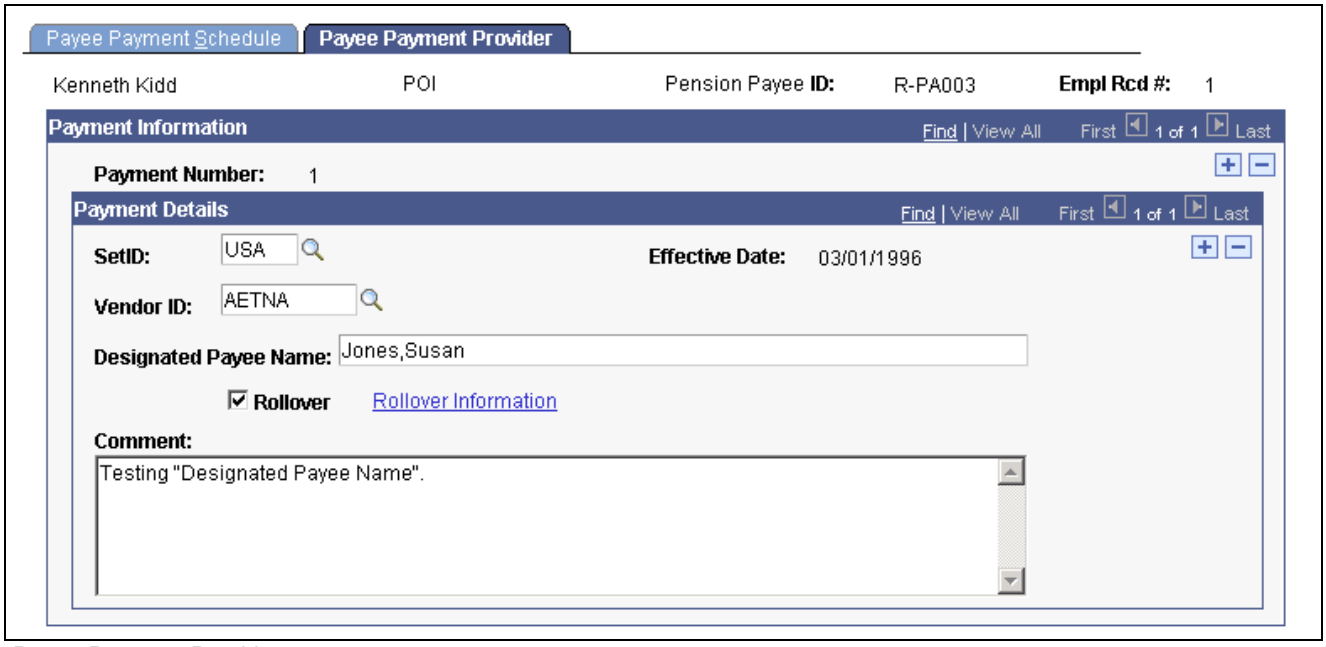
Note. The amount is the total payable amount; the nontaxable amount is the nontaxable portion of the total amount. The taxable amount is the difference between the two.

See Also

Chapter 55, "Administering Pension Payees," Administering Retiree Deaths, page 598

Defining Payee Payment Providers

Access the Payee Payment Provider page.



Payee Payment Provider page

Vendor ID Use the Vendor ID field to specify a funding source for the payments. This information goes into the trustee extract. You can only specify one funding source for the payment stream. If you need to specify more than one funding source, you have to create multiple payment streams.

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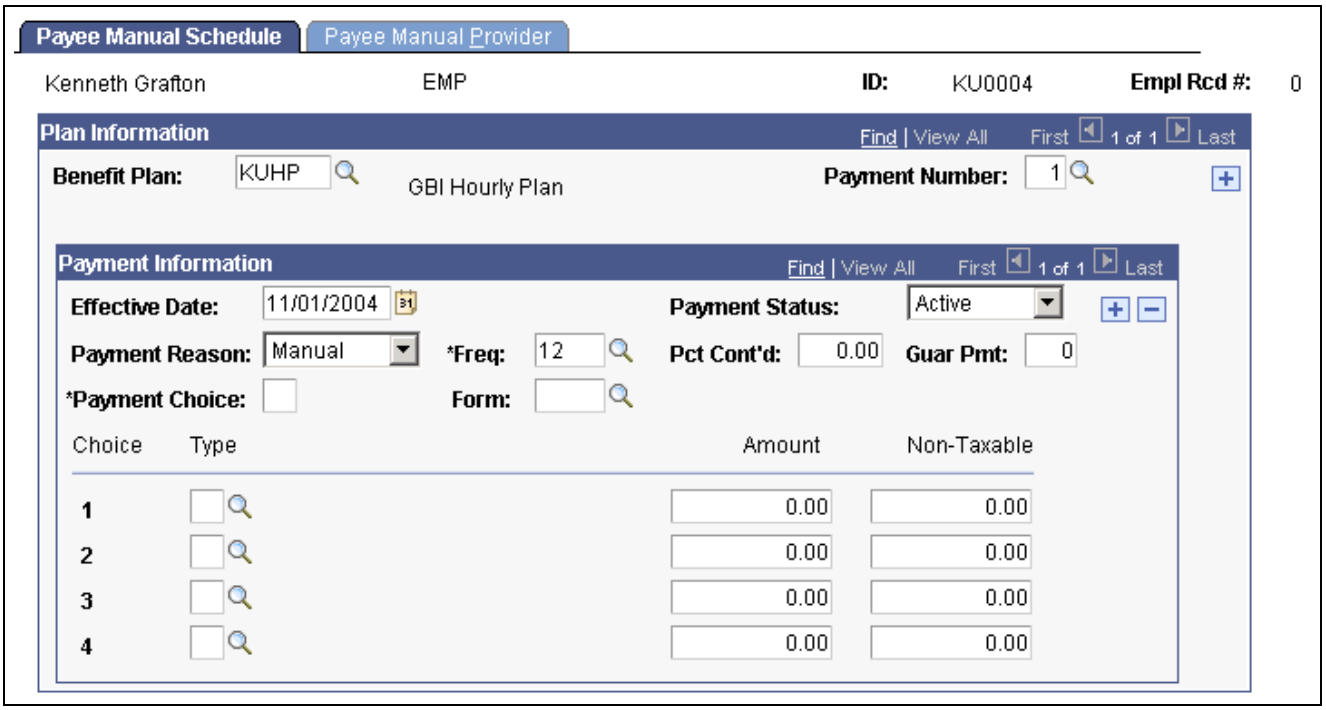
You enter providers and vendors into the system from the Provider table. This table is effective-dated, so the provider must be valid for the effective date of the payment. If you specify valid funding providers for your plan on the Plan Administration page, only those providers are available.

Designated Payee Name Use the Designated Payee Name field if a pension check should be made out to someone besides a retiree. For example, if a retiree has been declared incompetent and a legal guardian has control of the retiree's finances, use this field.

Comment Use this text field for any additional comments about the payment.

Defining the Payee Manual Schedule

Access the Payee Manual Schedule page.



Payee Manual Schedule page

Plan Information

Benefit Plan Enter the benefit plan for the payment.

Payment Number Enter the payment number for the payment.

Calc Name There is no calculation name unless you're viewing payments originally entered through the Payee Payment Schedule page. After all, the reason you're using the manual scheduling is that you're not using a system calculation.

Payment Information

Effective Date and **Payment Status** As on the Payee Schedule Payments page, the effective date and payment status control the actual payments.

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Payment Reason

The payment reason, which was always set to *System Calculated* or *Benef* when you used a system calculation, now has other available values: *Override, Manual,* and *COLA.*

When you run Pension Administration COLA processing, the system inserts effective-dated rows with the adjusted amounts; these rows use the COLA payment reason.

Payment Choice and **Choice**

Specify which of the payment amounts to use by entering a number in the Payment Choice field. Use the number in the Choice field to the left of the payment amount to identify the correct row.

Freq (frequency), **Pct Cont'd** (percent continued), **Guar Pmt** (guaranteed payments), and **Form**

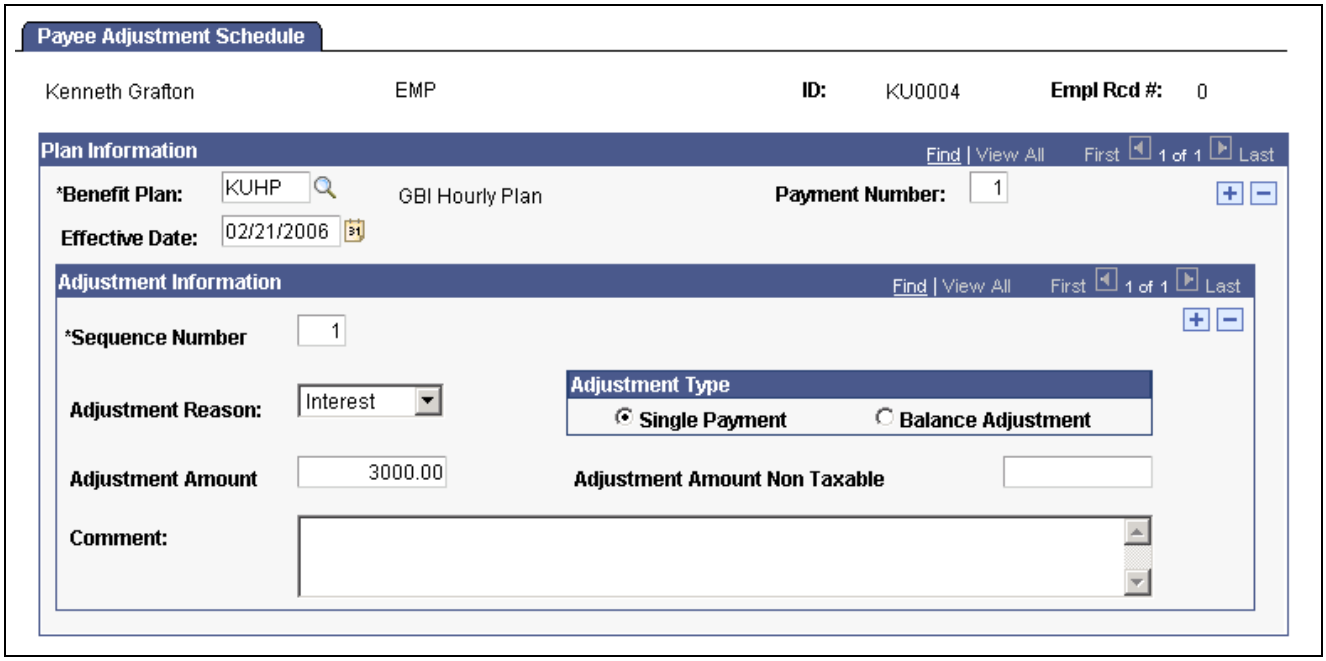
With manual scheduling, you have to enter the payment form by hand using the Form, Freq (frequency), Pct Cont'd (percent continued), and Guar Pmt (guaranteed payments) fields.

Type , **Amount** , and **Non-Taxable**

You also enter payment amounts manually using the Type, Amount, and Non-Taxable amount fields. If the form of payment includes a survivor benefit, be sure to enter a row for the beneficiary, as well as the retiree. This row is necessary for automated scheduling of beneficiary payments. Similarly, use additional rows for other optional forms of payment that have more than one pension benefit amount: level income options and pop-up options. It is best to schedule these amounts up front so that cost of living adjustments are properly applied to all of the amounts.

Defining Payee Adjustment Schedules

Access the Payee Adjustment Schedule page.



Payee Adjustment Schedule page

Benefit Plan and **Payment Number**

Enter the benefit plan and payment number that identify the regular payments associated with this adjustment. If a person is receiving benefits from two

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plans, you set up adjustments for each plan separately. The same rule applies when you set up separate payment streams within a single plan.

Note. Adjustments are only processed for payees who have a payment schedule established. Payments from the schedule can be stopped, but the schedule itself must be present.

Effective Date

The effective date indicates when to make an adjustment. The adjustment is made during the first pay run for a pay period concurrent with or later than the effective date. There is no stop date for the adjustment. Instead, the adjustment record is internally flagged as paid after the payment is made; this prevents the system from making the same payment twice.

Sequence Number

The sequence number enables you to make multiple adjustment with the same plan, payment number, and effective date. By separating the adjustments rather than scheduling one adjustment with the net amount, you add detail to your audit trail.

Adjustment Reason

Select an adjustment reason to explain why you're making the adjustment:

Recalc indicates a recalculation, typically introducing additional earnings data unavailable at the time of the initial calculation.

Retro Adj is for retroactive adjustments, such as those made after the administrative delay preceding a payee's first pension check.

Interest is for interest paid on late payments. For example, use this for the payments associated with recalculations or retroactive calculations. (Alternatively, you can include the interest component in the initial adjustment.)

Mid Period indicates reduced payments made when a pension check is prorated for a partial month. For example, a retiree dies in the middle of a month. You can either make a negative adjustment to the regularly scheduled payment or you can stop the regular payment and schedule a positive one-time payment.

Other applies to a variety of possible reasons.

Adjustment Type

You can use one-time adjustment to adjust balances, for example, for a retiree's estate refunds payments made after the retiree's death, or if you need to reallocate post-death payments from a retiree's balance to a beneficiary's balance. To do this, select *Balance Adjustment.* For regular adjustment, select *Single Payment.*

Note. The Payment Summary page does not adjust running totals based on balance adjustments. When you schedule a balance-only adjustment, you should manually update the payment summary information.

Adjustment Amount

You can enter either a positive or negative adjustment amount. Negative adjustments amounts should only be scheduled for pay periods where there is a regular payment. Be careful to ensure that the reduction does not exceed the regular payment amount; Pension Administration does not support arrears processing.

Adjustable Amount Non Taxable

If a portion of the adjustment is nontaxable, enter that amount in the Adjustable Amount Non Taxable field. For negative adjustments, entering a nontaxable amount ensures that the reduction offsets the nontaxable amount in

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the regularly scheduled payment. Do not try to reduce the nontaxable amount beyond the regularly scheduled amount.

Scheduling Payments for Terminated Deferred-Vested Employees

You should set up a schedule for a terminated deferred-vested employee at the time of the termination, even though final payment information (form or payment selection and benefit commencement date) are not yet available. This schedule includes a "deferred" status marker to ensure that the system does not actually process the payments.

Pension benefits for a terminated deferred-vested employee are determined at the time the employee terminates. This means that the plan's liability with regard to this person is frozen. By scheduling the payments at this time, you make this information available for the actuarial valuation extract.

Non-employee payees do not require advance scheduling because, until payments commence, the original employee's benefit encompasses the amounts that will eventually be paid to the beneficiary or QDRO alternate payee.

Because a terminated deferred-vested employee's actual commencement date and optional form of payment selection are unknown at this time, schedule payments using a default form of payment and the benefit commencement date specified in the calculation. The deferred status on the schedule ensures that you do not start automatically paying the person on that date.

If a deferred benefit is based on a system-calculated amount, use the Payee Form Selection page to select the default form of payment. This ensures that when you schedule the payments, you schedule the appropriate amount.

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CHAPTER 54

Making Pension Payments

This chapter provides an overview of the pension payment process and discusses how to:

- Define and create retiree payments.
- Review retiree payment results.
- Create trustee extract process.
- Review trustee extract data.

Understanding the Pension Payment Process

Pension Administration gathers and exports payment information. However, it assumes that a trustee or other third-party produces the pension checks and handles all W-2 and 1099 reporting.

Several steps are required to process retiree pension payments:

1. Create a payment calendar, where you assign a run ID to each pay period.

   You can set up separate payment calendars for each plan, or you can set up a single payment calendar for all plans.

2. Run the Retiree Payment COBOL SQL process (PAPPPYMT) in Preliminary Processing mode.

   The Retiree Payment process reads the relevant payment data from both the regular and one-time payment schedules. You use Preliminary Processing mode so that you can review and edit the results before finalizing the payment information. You can rerun the process as often as necessary in Preliminary Processing mode.

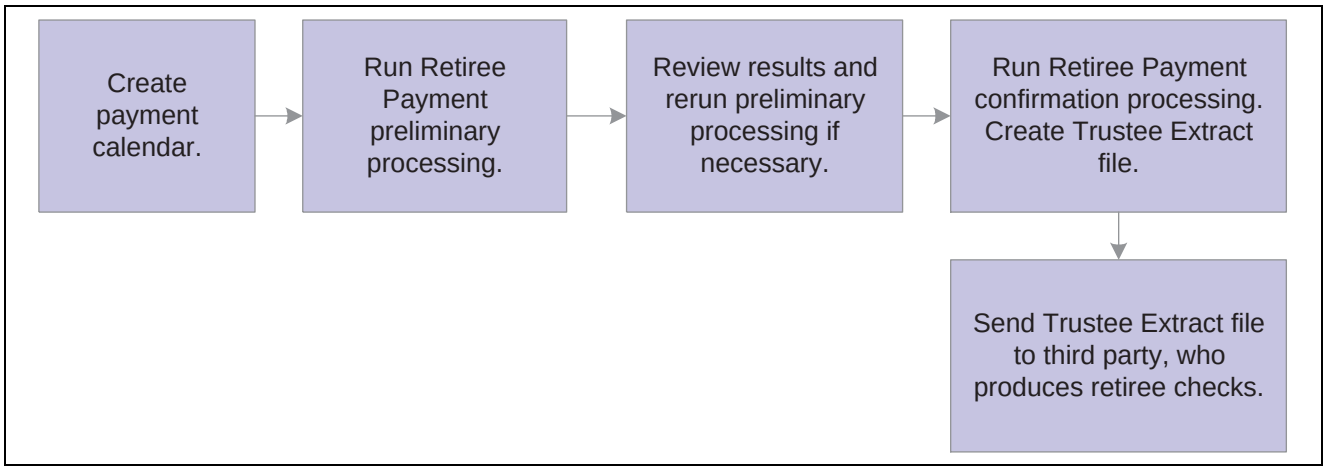
3. Run the Retiree Payment process in Confirmation Processing mode.

   The Retiree Payment process confirms the results of the preliminary processing and updates retiree pension statuses.

   The Trustee Extract process uses the payment information that the Retiree Payment process gathers. It writes the data to the Trustee Extract file, which you can transmit to the third-party who produces the retiree checks.

The following diagram illustrates the flow of the pension payment process:

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Pension payment process

Note. The PeopleSoft Enterprise Payroll Interface includes a data import feature, which you can use to import pension check data that is created by a trustee. You import this check data for viewing and ad hoc reporting only—not for issuing 1099-Rs. The system assumes that 1099-Rs are issued by the trustee.

Defining and Creating Retiree Payments

This section lists the pages used to define retiree payments and discusses how to:

- Define the retiree payment calendar.
- Create retiree payments.

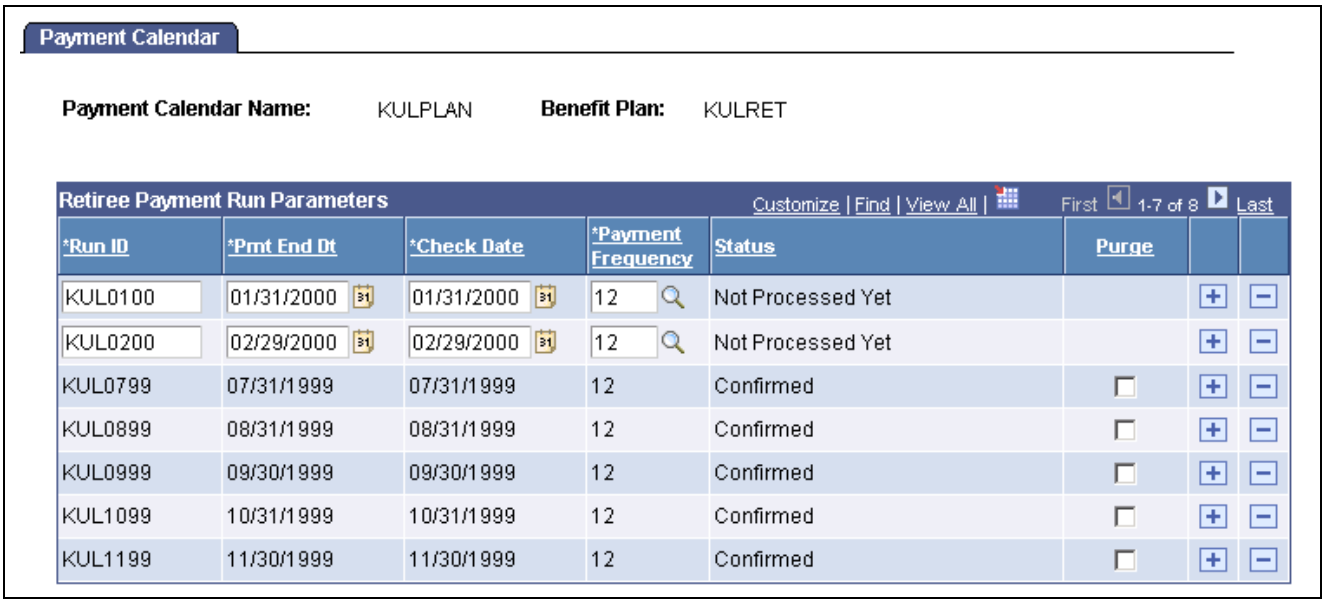
Pages Used to Define Retiree Payments

Page Name	Object Name	Navigation	Usage
Payment Calendar	PA_RT_CALENDAR	Pension, Payments, Set Plan Pay Periods, Payment Calendar	Set up a schedule of pay periods for pension checks for a plan.
Create Retiree Payments	RUNCTL_PAPPYMNT	Pension, Payments, Create Retiree Payments, Create Retiree Payments	Process payments for pension payees.

Defining the Retiree Payment Calendar

Access the Payment Calendar page.

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Payment Calendar page

When you create a calendar, you assign a payment calendar name and specify the benefit plan that uses this calendar. If you do not specify a plan, all plans are selected by default.

Retiree Payment Run Parameters Set up the retiree payment run parameters with one row per pay period.

Run ID Assign a run ID to each pay period.

You associate a run ID with each pay period and benefit plan, then reference that run ID when you run the Retiree Payments and Trustee Extract processes for that pay period and plan.

Pmt End Dt (payment end date) The payment end date is the last day in a pay period.

Check Date The check date is the date that should appear on the actual pension check.

Payment Frequency The payment frequency indicates how many times per year you make payments under the plan. You can select one of these values: *One Time Payment, Annual Payment, Monthly Payment, Semi-Annual Payment, Semi-Monthly Payment, Biweekly Payment,* or *Quarterly Payment.*

You typically make 12 payments for regular pension pay runs, so this is value is almost always *Monthly Payment.*

This field is informational only. Payment processing picks up all scheduled payments, regardless of whether the scheduled payment frequency matches the frequency of the pay run ID.

Status The status indicates the processing stage for this pay period: *Not Processed Yet, Preliminary,* or *Confirmed.*

Purge After you confirm the retiree payments for a particular pay period, a Purge check box appears for that period.

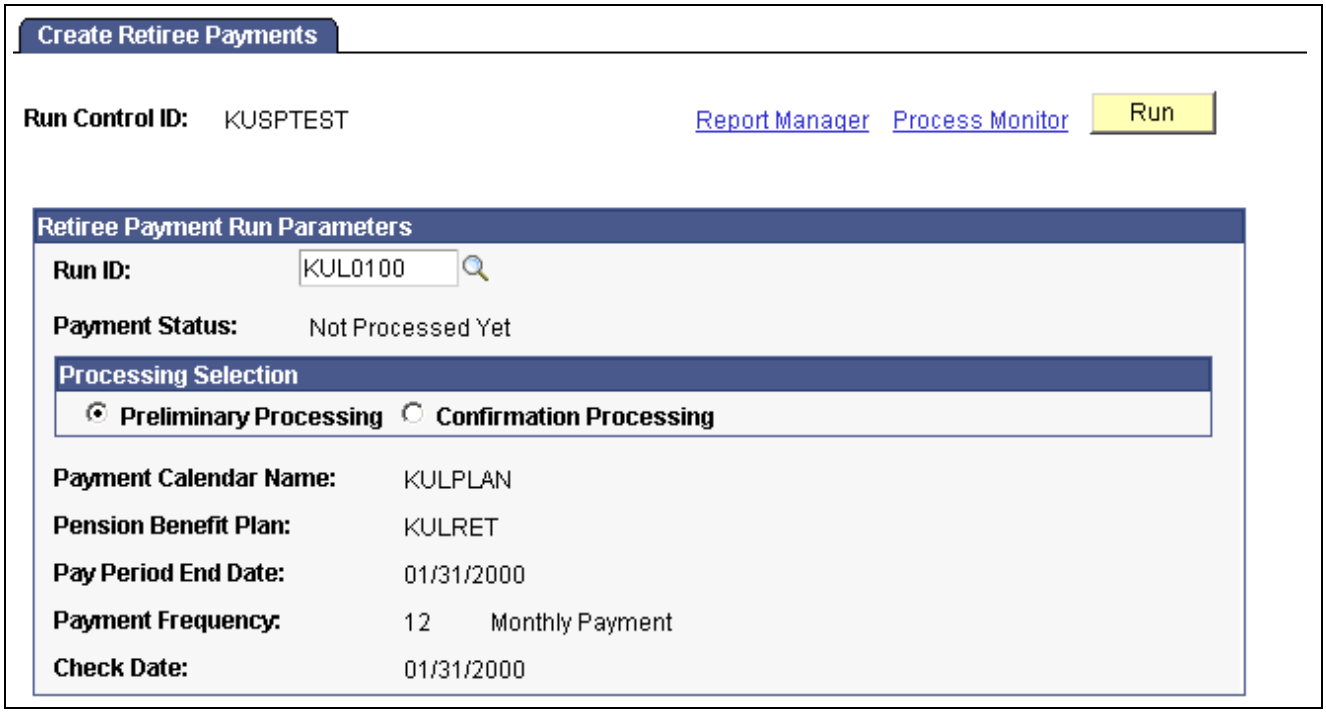
If you select this check box, the system deletes the payment records for the run ID during the next payment processing. The system purges both payment records (created during the payment process) and trustee extract data (created

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when you run the Trustee Extract process). Purging does not affect the Trustee Extract file, which is saved to disk outside of the PeopleSoft system.

Creating Retiree Payments

Access the Create Retiree Payments page.



Create Retiree Payments page

Run Control ID The run control ID is your link to Process Scheduler, the tool that manages your processing requests.

Run ID The run ID identifies the pay period that you want to process. You can click the Table Lookup button to see a list of the run IDs that you created on the Retiree Payment Calendar page.

Payment Calendar Name, Pension Benefit Plan, Pay Period End Date, Payment Frequency , and **Check Date** When you enter the run ID, the system displays the associated payment calendar name, pension benefit plan, pay period end date, payment frequency, and check date.

Note. The payment frequency does not actually affect processing. For example, the monthly pay run picks up any scheduled lump sum payments.

Processing Selection Choose whether to run the processing in preliminary processing or Confirmation Processing mode. You cannot run confirmation processing unless you first run preliminary processing.

In both modes, the Retiree Payment process creates payment data in the table PA_RT_PAY_DETL. Payments are based on scheduled payments and adjustments. Payments are identified by the run ID that you assign. If you have previously run a preliminary payment process for the same run ID, the previous payment data is deleted and the new data takes its place.

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Running Preliminary and Confirmation Processing

In Confirmation Processing mode, the Retiree Payment process:

- Updates the run ID status to *Confirmed.*

  This is important because the Trustee Extract process only processes confirmed run IDs. To review the run ID status, access the Payment Calendar page.

- Marks as complete any one-time payments that were picked up during the current run.

  This prevents a payment from being picked up again during the next pay cycle. The system does not display this information.

- Updates summary payment data, such as the running total of payments.

  To review these totals, access the Payee Summary page.

- Updates the employee's pension status code for all newly started, newly deferred, or newly stopped payments.

  To review pension statuses, access the Employee Pension Status page.

- Creates the Trustee Extract file.

Note. The Retiree Payment process does not actually pay retirees. Rather, it translates general payment instructions, such as "pay 1,500 USD every month," into pay period-specific information. You use a separate process, the Trustee Extract, to transmit all payments and deductions for the pay period to a third-party trustee, who is responsible for creating the pension checks.

Updating Pension Status Codes

The pension status code is a three-character code:

- The first character indicates the payee type (for example, *R* is a retired employee).

  The Retiree Payment process does not change the payee type.

- The second and third characters indicate the payment status:
  - *DF:* Deferred payments.
  - *PY:* Active payments (the payee is currently receiving payments).
  - *ST:* Stopped payments.

  In Confirmation Processing mode, the Retiree Payment process updates the payment status, based on activity during the pay period.

The payment process changes the payment status:

- From deferred to active the first time that it pays an employee.
- From active to deferred if payments are suspended during a pay period.
- From active to stopped when payments are stopped.

Note. The process only stops payment for a plan if all the payment streams for that plan are stopped. If you have manually set the status to deceased, the payment process does not change the status to stopped.

The effective date of a pension status is the same as the effective date on the payment schedule that starts, stops, or suspends the payment.

The following table summarizes the codes that the payment process sets:

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Payee Type	Deferred Payments	Active Payments	Stopped Payments
Terminated employee	TDF	TPY	TST
Retired employee	RDF	RPY	RST
Employee retired on disability	DDF	DPY	DST
Beneficiary	BDF	BPY	BST
QDRO alternate payee	QDF	QPY	QST

If the payment process detects an initial payment and the current payment status is *DF,* it assumes that the person is a retiree and changes the status to *RPY.* Similarly, if the process detects a deferred or stopped payment and the current payment status is not *PY,* it assumes that the person is a retiree and changes the status to *RDF* or *RST.* In both cases, it issues a warning message.

Note. The warning message is issued when you set up a payee and you do not manually change the payment status to *DF.*

Running the Process

Click Run to run the Retiree Payment process. The Process Scheduler runs this process at user-defined intervals.

Payment process messages do not appear in the message log. Instead, you review messages by viewing the log file for a particular process. PeopleTools creates the log files in your temp directory.

Note. After you click Run, select a Process Scheduler Server, and click OK, you can see the process instance number, which you can use to access the Message Log page for information about the process.

Payment processing typically runs on the Process Scheduler server. Select a Process Scheduler server in the Server Name field and click OK to put the job into the Process Scheduler queue.

Reviewing Retiree Payment Results

This section provides an overview of the pages used to review retiree payment results, lists the pages used to review retiree payment results, and discusses how to:

- View retiree payment results: payment summary.
- View retiree payment results: payment details.

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Understanding the Pages Used to Review Retiree Payment Results

After you run the Retiree Payment process, you can review the resulting payment data using the Review Payment Results component (PAYMENT_RESULTS).

This is particularly useful when you run the payment process in Preliminary Processing mode and you need to review the results before running it in Confirmation Processing mode.

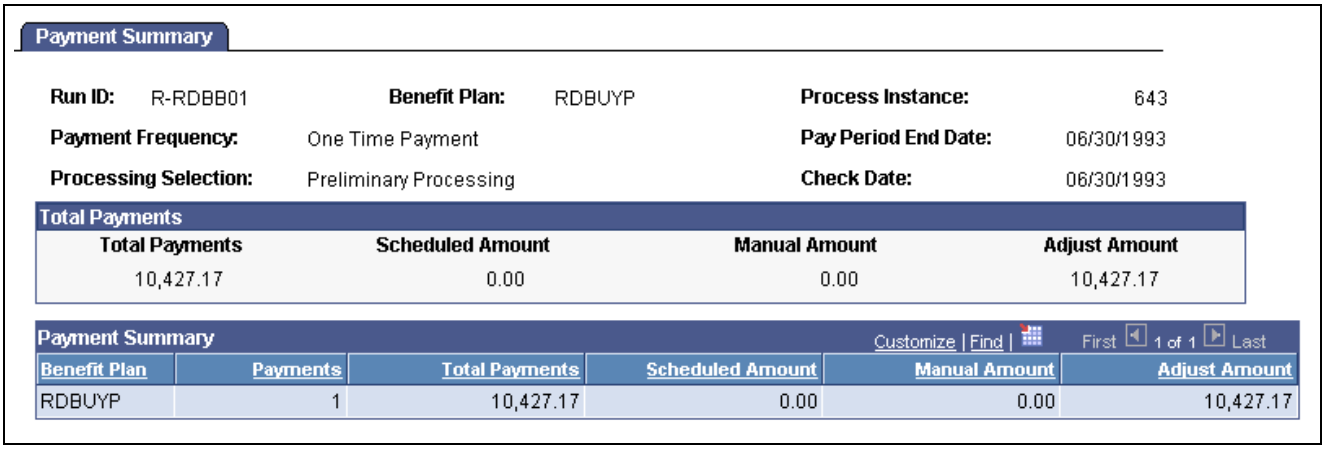
The SQR (PARVWPMT.sqr) may be run to view the payment results at an employee level. There are three choices to run the report (the user can choose the desired output on the run control page): Payment Details – Total, Payment Details – NonTaxable and Payment Information.

Pages Used to Review Retiree Payment Results

Page Name	Object Name	Navigation	Usage
Payment Summary	PA_RT_SUM_INFO	Pension, Payments, Review Payment Results, Payment Summary	Shows the total payments that were processed during the payment run.
Review Payment Results	RUNCTL_RVWPMNT	Pension, Payments, Review Payment Results Report	View retiree payment details

Viewing Retiree Payment Results: Payment Summary

Access the Payment Summary page.



Payment Summary page

Run ID, Benefit Plan, Payment Frequency, Pay Period End Date, and **Check Date** — These fields are used in the Retiree Payment process.

Process Instance — The process instance is assigned by the Process Scheduler. Use it to look up processing messages on the Message Log page.

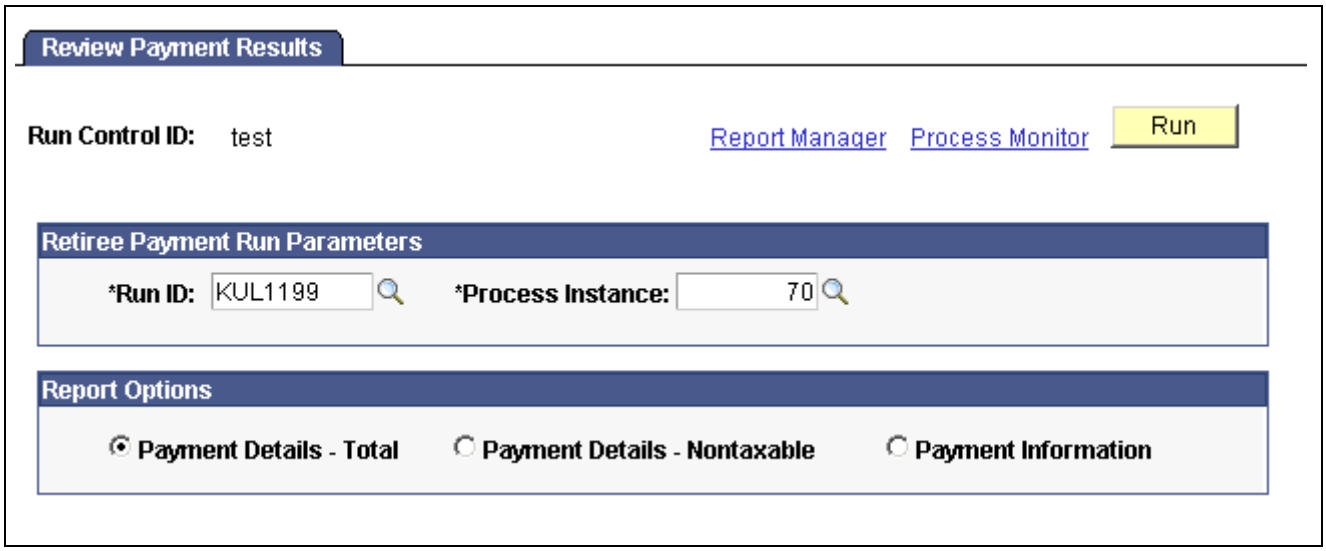
Processing Selection — The processing mode: *Preliminary Processing* or *Confirmation Processing.*

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Total Payments	The sum of all payments (for all plans and all payees) that are included in this payment run. This is the total of the amounts in the following fields: Scheduled Amount, Manual Amount, and Adjust Amount.
Scheduled Amount	The total of all scheduled payments with payment reasons other than *Manual.*
Manual Amount	The total of all scheduled payments with payment reasons of *Manual.*
Adjust Amount (adjusted amount)	The total of all one-time payments entered on the Payee Adjustment Schedule page.
Payment Summary	This scrolling area displays a plan-by-plan breakdown of the information—each benefit plan and its associated number of payments, total payment amount, scheduled amount, manual amount, and adjusted amount.

Viewing Retiree Payment Results: Payment Details

Access the Review Payment Results page.



Review Payment Results page

Run ID	This field is used in the Retiree Payment process.
Process Instance	The process instance is assigned by the Process Scheduler. Use it to look up processing messages on the Message Log page.
Payment Details — Total	This option displays the following information for all retirees: Payment Amount, Adjustment Amount, Payment Total, Check Date, Set ID, Vendor ID and Vendor Name.
Payment Details — NonTaxable	This option displays the following information for all retirees: NT Payment Amount non-taxable payment amount), NT Adjustment Amount (non-taxable adjustment amount), NT Payment Total (non-taxable payment total), Check Date, Set ID, Vendor ID and Vendor Name.
Payment Information	This option displays the following information for all retirees: Form Code, Payment Number, Guaranteed Payments, Percent to Survivor and Designated Payee.

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See Also

Chapter 53, "Preparing Pension Payments," Scheduling Payments, page 546

Chapter 53, "Preparing Pension Payments," Defining Payee Adjustment Schedules, page 552

Creating the Trustee Extract File

This section provides overviews of the Trustee Extract process and the Trustee Extract file, lists the page used to generate the Trustee Extract file, and discusses how to generate the Trustee Extract file.

Understanding the Trustee Extract Process

The Retiree Payment process includes the Trustee Extract process.

The Trustee Extract process generates the Trustee Extract file, which includes all of the payment-related data that a third-party requires in order to produce pension checks.

The system creates the Trustee Extract file when you run the Retiree Payment process in Confirmation Processing mode. It writes the data to the file that you define using the system variable TRSPYMT.

Note. The trustee extract data is also written to database records so that you can review it online; however, the online data is not the primary file. The Trustee Extract file is the output that you send to your trustee.

You can also produce the Trustee Extract file outside of the Retiree Payment process. You only do this in unusual circumstances—for example, if you lose or damage the original version created by the payment process.

When you create the extract file outside of the payment process, you still must have run the payment process in order to generate the data that is fed into the extract process. Although it is possible to create a file after preliminary payment processing, it is advisable to create it only after running confirmation processing for the retiree payments.

See Also

Chapter 9, "Establishing Retiree Administration Control Tables," Creating a Logical File for the Trustee Extract, page 55

Understanding the Trustee Extract File

The Trustee Extract file includes the following types of payment-related data: payment data, tax elections, direct deposit instructions, and deduction data.

Payment Data

Payment data is only available after you run the Retiree Payment process in Confirmation Processing mode. The process creates this information using the payment schedules that you set up, both for recurring payments and one-time payments or adjustments.

Tax Elections

You must record payee tax elections in the system prior to paying retirement benefits. There are no default elections.

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If federal, state, or local tax information is missing, the Trustee Extract process logs a warning message.

Direct Deposit Instructions

Direct deposit instructions are not required. If you have entered the direct deposit information, the Trustee Extract process includes it in the extract file.

Note. There is no warning message when direct deposit information is missing.

Deduction Data

There are two ways that you can set up deduction information if you want to include it in the Trustee Extract file:

- Set up a general deduction in PeopleSoft Enterprise Payroll for North America.
  - If you specify a deduction calculation routine that uses a flat amount, there is no need to calculate the deduction each period.
  - If you set up the deduction to use a percentage, the Trustee Extract process can pass that percentage to the trustee, who can then calculate the appropriate deduction amount.
  - If you use any other calculation routine, you must use Payroll Interface's DedCalc (deduction calculation) process to compute the deduction amount.
- Enroll the payee in one or more benefit plans through the PeopleSoft Enterprise Human Resources Manage Base Benefits business process or PeopleSoft Enterprise Benefits Administration. This always requires that you use the DedCalc process to compute the deduction amount.

See Also

Chapter 9, "Establishing Retiree Administration Control Tables," Creating a Logical File for the Trustee Extract, page 55

Appendix A, "Pension Administration Reports," Data Extract Reports, page 645

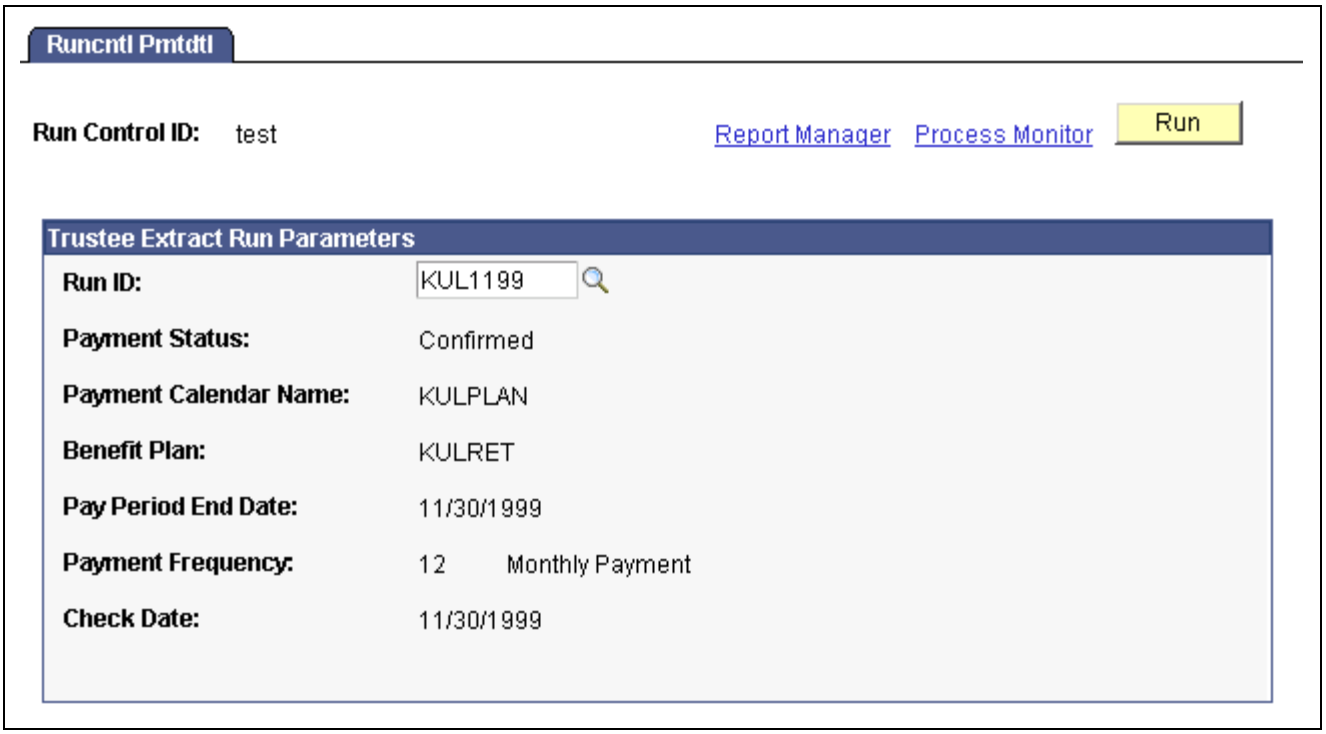
Pages Used to Generate the Trustee Extract File

Page Name	Object Name	Navigation	Usage
Runcntl Pmtdtl	RUNCTL_PAPP02	• Pension, Reports, Online Trustee Extract, Runcntl Pmtdtl • Pension, Payments, Create Retiree Payments	Run the Trustee Extract process. **Note.** The Retiree Payment process automatically runs the Trustee Extract process. You select Pension, Payments, Create Retiree Payments to run the Retiree Payment process.
Rollover Report	RUNCNTL_RO_DETAIL	Pension, Payments, Payment Rollover Report, Rollover Report	Enter run control parameters for Rollover report.

Generating the Trustee Extract File

Access the Runcntl Pmtdtl page.

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Runcntl Pmtdtl page

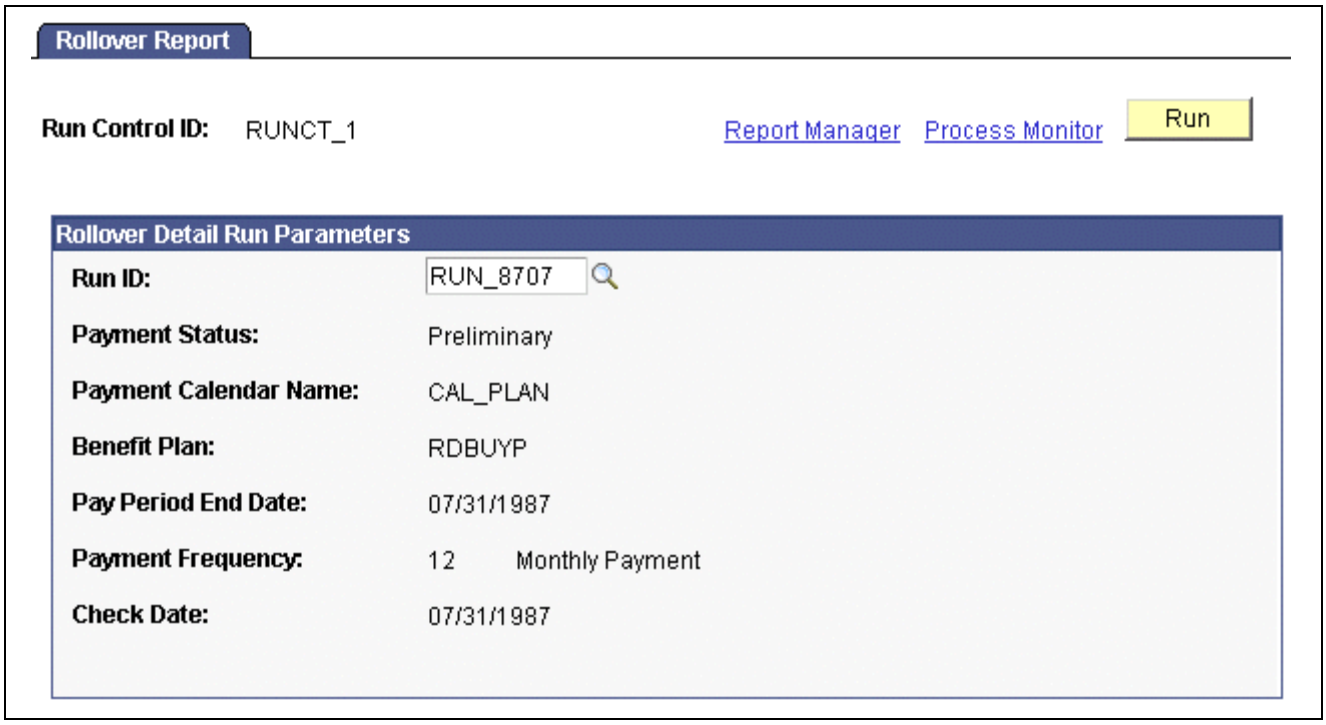
Run ID Select the run ID for the Retiree Payment process job that created the trustee extra data.

The system then displays information associated with that run ID: the payment status, payment calendar name, benefit plan, pay period end date, payment frequency, and check date.

Generating the Rollover Information Report

Access the Rollover Report page.

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Rollover Report page

Run ID, Payment Status, Payment Calendar Name, Benefit Plan, Pay Period End Date, Payment Frequency and **Check Date.** These fields provide summary information about the pay run that is the basis for the extract. The run ID determines the payment status, payment calendar name, benefit plan, pay period end date, payment frequency and check date.

Reviewing Trustee Extract Data

This section provides an overview of how to review trustee extract data, lists the pages used to review trustee extract data, and discusses how to:

- View the trustee extract summary.
- View trustee extract contents: detail pages and record layouts.
- View trustee extract contents: employee biographical information.
- View trustee extract contents: federal tax information.
- View trustee extract contents: state tax information.
- View trustee extract contents: local tax information.
- View trustee extract contents: general deductions.
- View trustee extract contents: benefit deductions.
- View trustee extract contents: direct deposits.
- View trustee extract contents: additional pay.
- View trustee extract contents: balance adjustments.

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- View trustee extract contents: scheduled payments.
- View trustee extract contents: one-time payments.
- View trustee extract contents: scheduled payment rollover when retirement payments are run using confirmation processing.
- View trustee extract contents: contribution withdrawal rollover.
- View trustee extract contents: header record.
- View trustee extract contents: control totals.
- Track the payee summary.

Understanding How to Review Trustee Extract Data

The contents of the Trustee Extract file are displayed on:

- A summary page that lists summary payment information for all the employees included in the extract.
- Detail pages that show, by employee, the detailed data included in the extract.

This section includes information on the summary and detail trustee extract pages. The documentation on the detail pages provides technical detail about the layout of the Trustee Extract file. This information can help you and your trustee use the file effectively.

You can also review the contents of the Trustee Extract file by running the Trustee Extract reports: PAT08 - Trustee Extract Detailed Report and PAT09 - Trustee Extract Detailed Report - Record Type.

See Also

Appendix A, "Pension Administration Reports," Data Extract Reports, page 645

Pages Used to Review Trustee Extract Data

Page Name	Object Name	Navigation	Usage
Trustee Summary	PA_TE_SUM_INFO	Pension, Reports, Review Trustee Extract Summary, Trustee Summary	• View a list of the employees included in a particular trustee extract run. • View summary payment information about each employee.
Employee Bio (employee biography)	PA_TE_BIO_INFO	Pension, Reports, Review Trustee Extract Content, Employee Bio	View personal information about a payee. **Note.** This information is based on one retiree record, so a payee with multiple retiree records has multiple bio records.
Federal Tax Info (federal tax information)	PA_TE_FTX_INFO	Pension, Reports, Review Trustee Extract Content, Federal Tax Info	View a payee's federal tax elections for one retiree record.

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Page Name	Object Name	Navigation	Usage
State Tax Info (state tax information)	PA_TE_STX_INFO	Pension, Reports, Review Trustee Extract Content, State Tax Info	View a payee's state tax elections for one retiree record. **Note.** A payee who is subject to withholding from more than one state can have multiple state tax records for a single retiree record.
Local Tax Info (local tax information)	PA_TE_LTX_INFO	Pension, Reports, Review Trustee Extract Content, Local Tax Info	View a payee's local tax elections for one retiree record. **Note.** A payee who is subject to withholding from more than one locality can have multiple local tax records for a single retiree record.
General Deduction	PA_TE_GDED_INFO	Pension, Reports, Review Trustee Extract Content, General Deduction	View a payee's general deductions for one retiree record. **Note.** Payees can have multiple deductions per job. General deductions are typically deductions for anything other than benefits, although some organizations use general deductions for benefits, as well.
Benefit Deduction	PA_TE_BDED_INFO	Pension, Reports, Review Trustee Extract Content, Benefit Deduction	View a payee's benefit deductions for one retiree record. **Note.** Payees can have multiple deductions per job.
Direct Deposit	PA_TE_DDEP_INFO	Pension, Reports, Review Trustee Extract Content, Direct Deposit	View a payee's direct deposit instructions for one retiree record.
Additional Pay	PA_TE_APAY_INFO	Pension, Reports, Review Trustee Extract Content, Additional Pay	View a payee's additional pay for one retiree record. **Note.** Payees can have multiple additional pay records per job.
Balance Adjust (balance adjustment)	PA_TE_BADJ_INFO	Pension, Reports, Review Trustee Extract Content, Balance Adjust	View information used to adjust running payment totals for a retiree. **Note.** Adjustments apply to one retiree record only. Payees can have multiple balance adjustments per job.

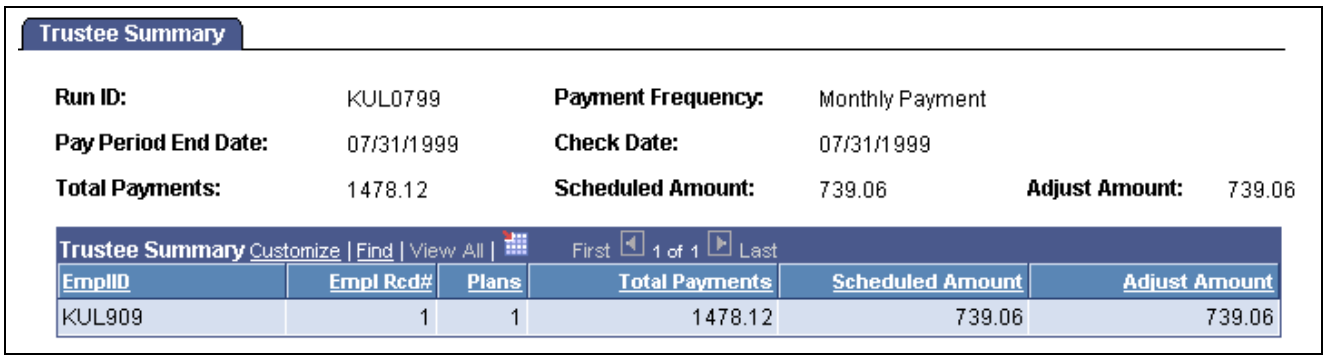
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Page Name	Object Name	Navigation	Usage
Scheduled Payment	PA_TE_SPMT_INFO	Pension, Reports, Review Trustee Extract Content, Scheduled Payment	View payment amounts and descriptions for recurring payments for one retiree record. **Note.** Each retiree record corresponds to a single plan, but payees can have multiple scheduled payment records per retiree record if there are multiple payment streams from a plan.
One-Time Payments	PA_TE_1PMT_INFO	Pension, Reports, Review Trustee Extract Content, One-Time Payments	View payment amounts and descriptions for one-time payments for a single payment number under a single retiree record. **Note.** One-time payments can be positive or negative. Negative payments offset any regularly scheduled payment occurring in the same period.
Payee Summary	PA_RT_EMP_SUM	Pension, Payments, Review Balances and Totals, Payee Summary	• Track the payment process that automatically updates information under the appropriate payee record number. • View the amount of a retiree's contributions that has been repaid.
Trustee Extract	PAPPPYMT	Pension, Reports, Flatfile Trustee Extract, Trustee Extract	• Print the details of the information on the Trustee Extract file (PAT08 - Trustee Extract Detailed Report). • List the participants receiving payments from a particular pay run, and provide summary totals for the pay run (PAT09 - Trustee Extract Detailed Report - Record Type).
Schedule Rollover	PA_TE_SCHED_RLOVR	Pension, Reports, Review Trustee Extract Content, Schedule Rollover	Displays rollover information for a particular RUN ID with regard to scheduled payments.
Contribution Rollover	PA_TE_CTB_RLOVR	Pension, Reports, Review Trustee Extract Content, Contribution Rollover	Displays rollover information for a particular RUN ID with regard to contribution withdrawals.

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Viewing the Trustee Extract Summary

Access the Trustee Summary page.



Trustee Summary page

Run ID, Payment Frequency, Pay Period End Date, and **Check Date** — These fields provide summary information about the pay run that is the basis for the extract. The run ID determines the payment frequency, pay period end date, and check date.

Total Payments — This is the sum of all payments—for all plans and all payees—included in this pay run. This amount comprises the total of the scheduled amount and adjusted amount.

Scheduled Amount — The total of payments scheduled on the Payee Payment Schedule and Payee Manual Schedule pages.

Adjust Amount (adjusted amount) — The total of one-time payments (positive and negative) entered on the Payee Adjustment Schedule page.

Trustee Summary

This scrolling area displays a list of all employees included in the extract. If an employee is being paid based on more than one retiree job record, there is a separate row for each record.

For each retiree job record receiving payments, the page displays the EmplID and record number, the number of plans providing a benefit (typically one because you create an additional job record for each plan), and the total payments, scheduled amount, and adjusted amount for that payee.

Viewing Trustee Extract Contents: Detail Pages and Record Layouts

The Trustee Extract file contains rows of 450 characters each. Each row starts with a two-digit record type. Payment data for a single employee occupies multiple rows.

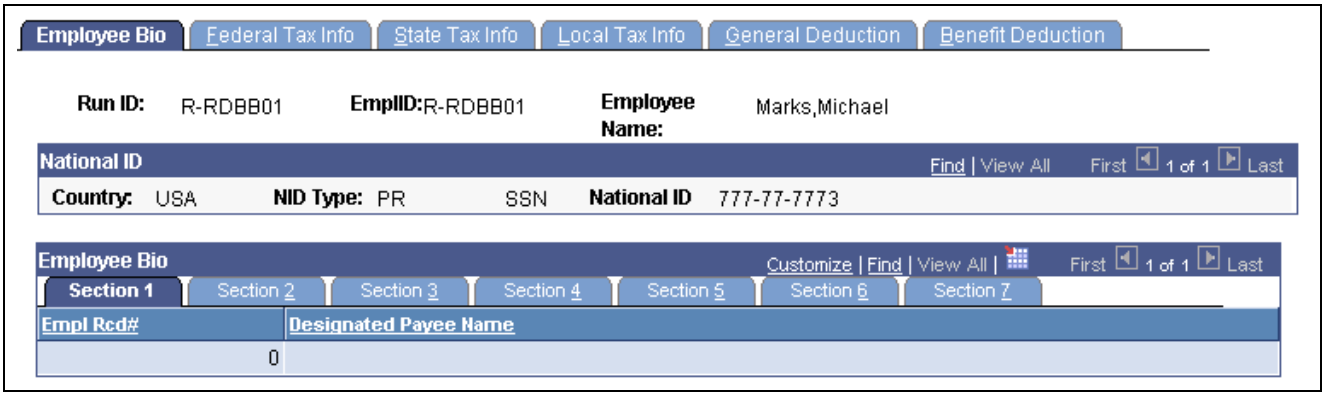
You can access the Review Trustee Extract Content (TRUSTEE_EXTRACT) component to see pages that display the contents of the extract records for individual employees. There are 11 detail pages, one for each record type (other than the header record) included in the extract file.

This section provides a record layout for each record type in the Trustee Extract file. Each record layout follows the sample page for that record type—for example, the bio record layout appears after the Employee Bio page. The header and control totals records appear after the other record types (there are no pages for these records).

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Viewing Trustee Extract Contents: Employee Biographical Information

Access the Employee Bio page.



Employee Bio page

Bio records have the record type 20.

Bio Record Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Employee Name	Character	50	18	67
Alternate Name for Payee*	Character	30	68	97
Address 1	Character	35	98	132
Address 2	Character	35	133	167
Address 3	Character	35	168	202
Address 4	Character	35	203	237
City	Character	30	238	267
County	Character	30	268	297

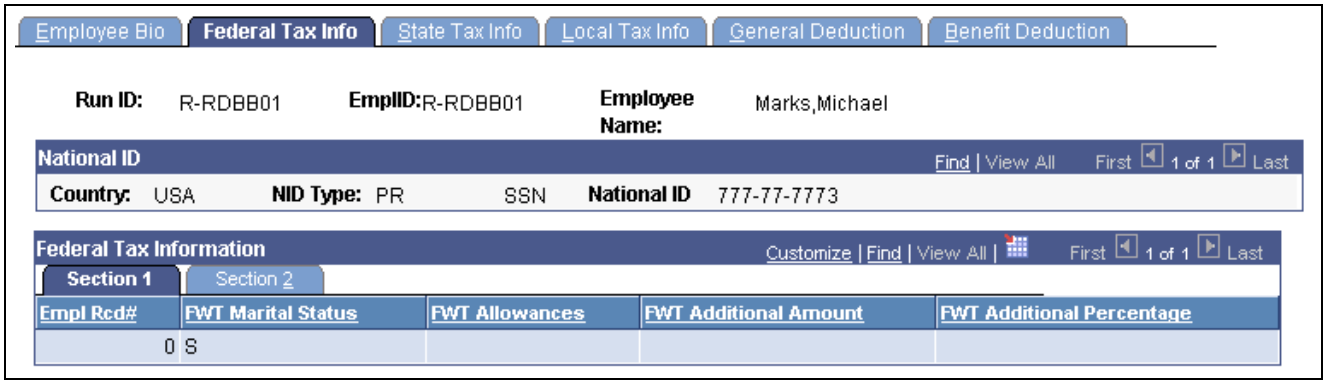
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Bio Record Data	Format	Length	Beginning Position	Ending Position
State	Character	6	298	303
Postal	Character	12	304	315
Country	Character	30	316	345
National ID	Character	15	346	360
Company Code	Character	10	361	370
Paygroup Code	Character	3	371	373

*This is the designated payee name from the payment schedule. If there are multiple payment numbers for a single employee record number, this name comes from the first payment.

Viewing Trustee Extract Contents: Federal Tax Information

Access the Federal Tax Info page.



Federal Tax Info page

Federal tax records have the record type 30.

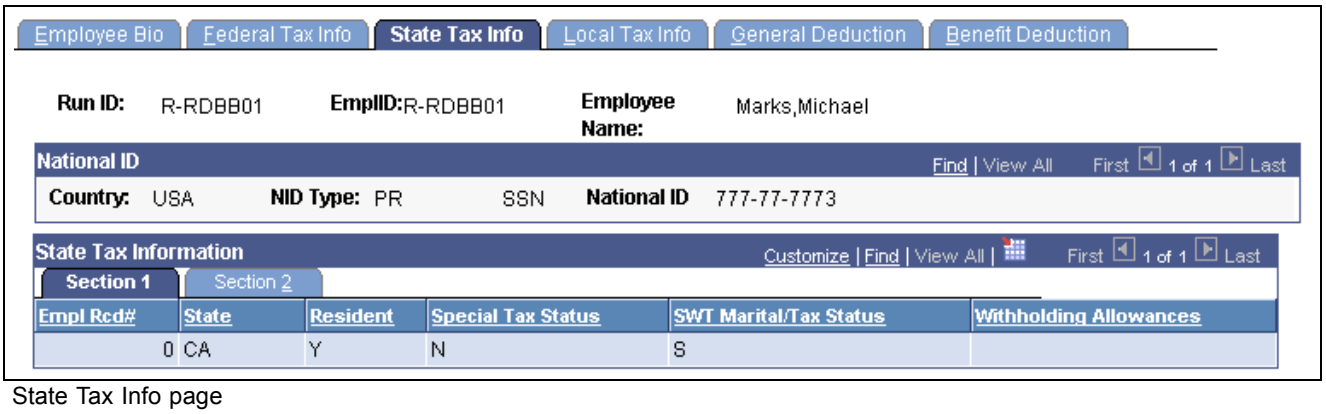
Federal Tax Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17

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Federal Tax Data	Format	Length	Beginning Position	Ending Position
Marital Status for Federal Withholding	Character	1	18	18
Allowances for Federal Withholding	Number	4	19	22
Additional Amount to Withhold	Signed Decimal	5.2	23	29
Additional Percentage to Withhold	Signed Decimal	2.3	30	34
Special Withholding Status	Character	1	35	35
FICA Status	Character	1	36	36
FUTA Exempt Status	Character	1	37	37
EIC Status	Character	1	38	38
Employee ID for W-2	Character	11	39	49

Viewing Trustee Extract Contents: State Tax Information

Access the State Tax Info page.



State Tax Info page

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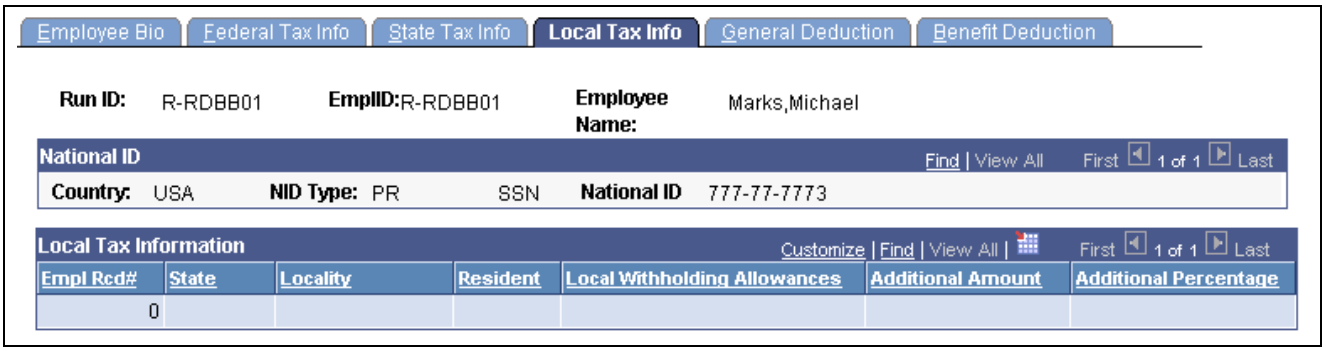
State tax records have the record type 31.

State Tax Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
State	Character	6	18	23
Resident	Character	1	24	24
Special Status for State Withholding	Character	1	25	25
Marital Status for State Withholding	Character	1	26	26
Allowances for State Withholding	Number	4	27	30
Additional Allowances for State Withholding	Number	4	31	34
Additional Amount to Withhold	Signed Decimal	5.2	35	41
Additional Percentage to Withhold	Signed Decimal	2.3	42	46
SDI Status	Character	1	47	47
SUT Exempt	Character	1	48	48

Viewing Trustee Extract Contents: Local Tax Information

Access the Local Tax Info page.

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Local Tax Info page

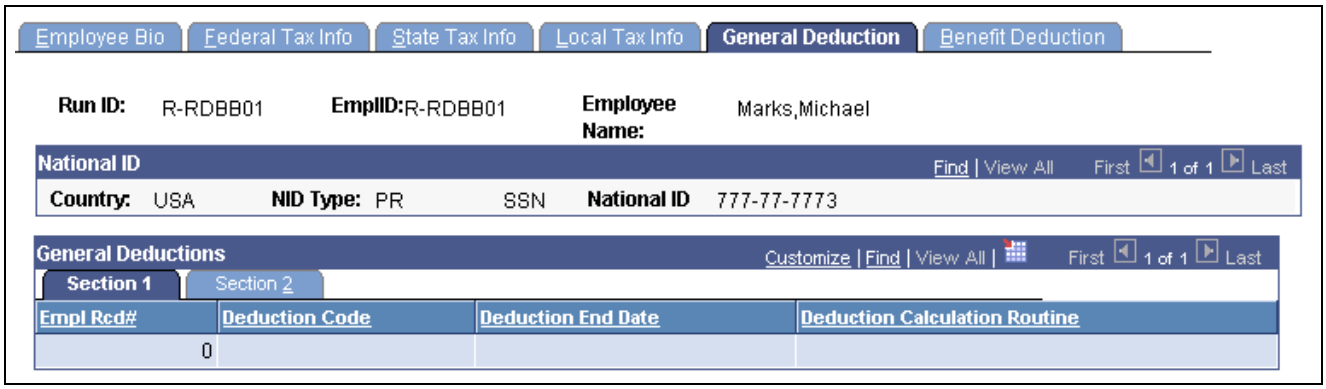
Local tax records have the record type 32.

Local Tax Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
State	Character	6	18	23
Locality	Character	7	24	30
Resident	Character	1	31	31
Allowances for Local Withholding	Number	4	32	35
Additional Amount to Withhold	Signed Decimal	5.2	36	42
Additional Percentage to Withhold	Signed Decimal	2.3	43	47

Viewing Trustee Extract Contents: General Deductions

Access the General Deduction page.

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General Deduction page

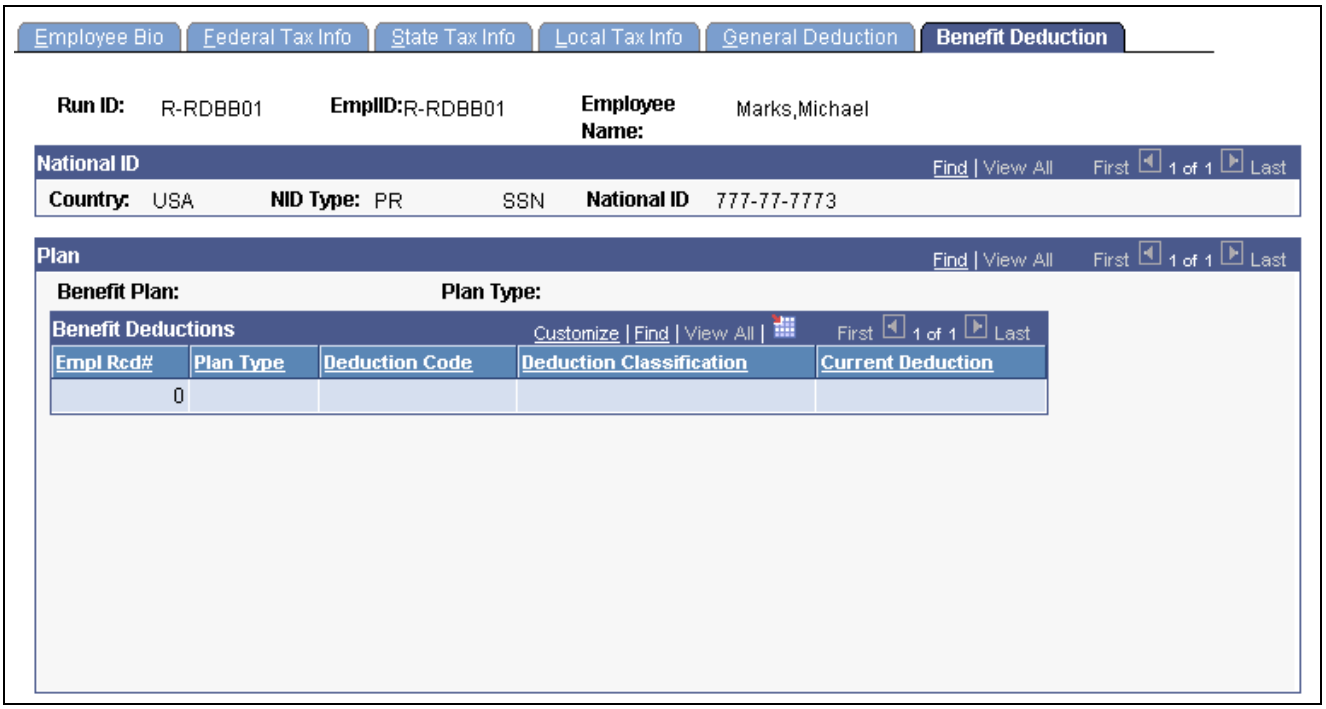
General deduction records have the record type 40.

General Deduction Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Deduction Code	Character	6	18	23
Deduction End Date	Character	10	24	33
Deduction Calculated	Character	1	34	34
Additional Amount to Deduct	Signed Decimal	8.2	35	44
Percentage Rate for Deduction	Signed Decimal	4.3	45	51
Goal	Signed Decimal	8.2	52	61

Viewing Trustee Extract Contents: Benefit Deductions

Access the Benefit Deduction page.

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Benefit Deduction page

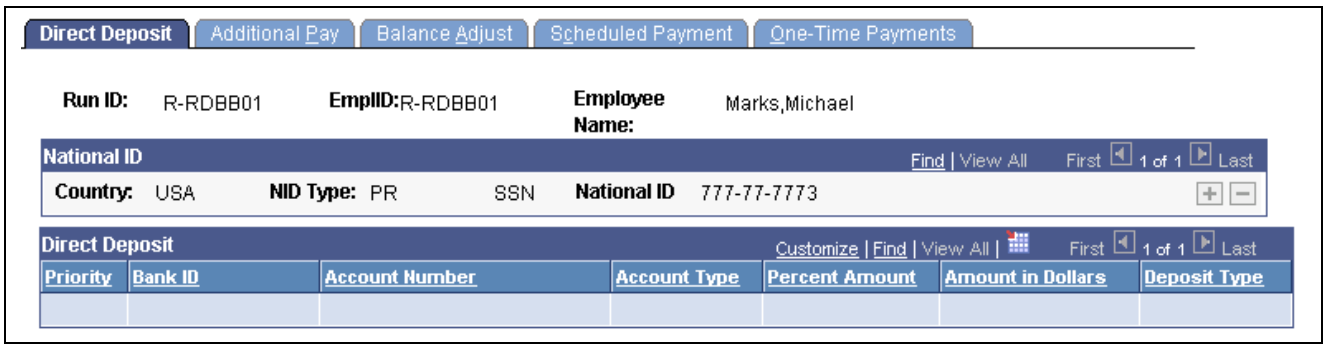
Benefit deduction records have the record type 41.

Benefit Deduction Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Plan Type	Character	2	18	19
Plan	Character	6	20	25
Deduction Code	Character	6	26	31
Deduction Class	Character	1	32	32
Current Deduction	Signed Decimal	8.2	33	42

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Viewing Trustee Extract Contents: Direct Deposits

Access the Direct Deposit page.



Direct Deposit page

Direct deposit records have the record type 50.

Direct Deposit Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Priority	Number	4	18	21
Transit Number	Character	11	22	32
Account Number	Character	17	33	49
Account Type	Character	1	51	55
Percentage Amount	Signed Decimal	3.2	56	65
Deposit Amount	Signed Decimal	8.2	54	63
Deposit Amount	Signed Decimal	8.2	54	63
Deposit Type	Character	1	65	65

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Viewing Trustee Extract Contents: Additional Pay

Access the Additional Pay page.



Additional Pay page

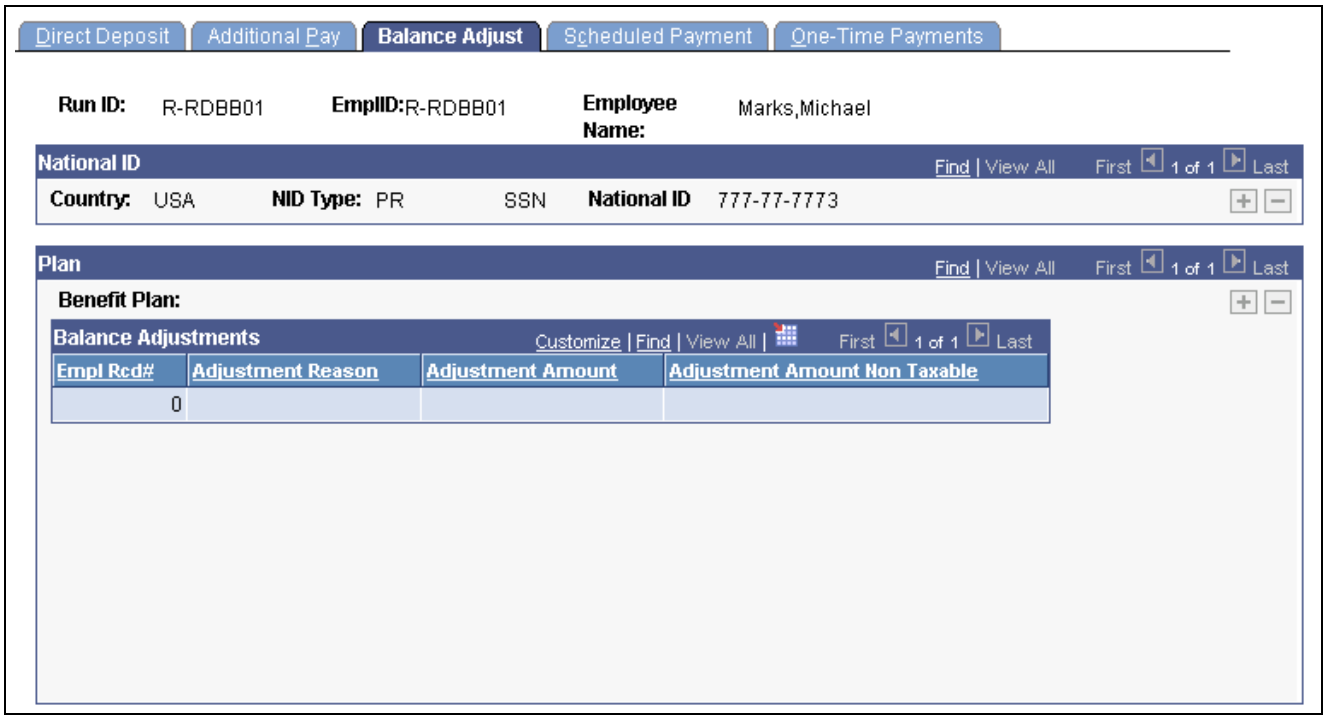
Additional pay records have the record type 60.

Additional Pay Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Earnings Code	Character	3	18	20
Earnings End Date	Character	10	21	30
Other Pay Amount	Signed Decimal	8.2	31	40

Viewing Trustee Extract Contents: Balance Adjustments

Access the Balance Adjust page.

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Balance Adjust page

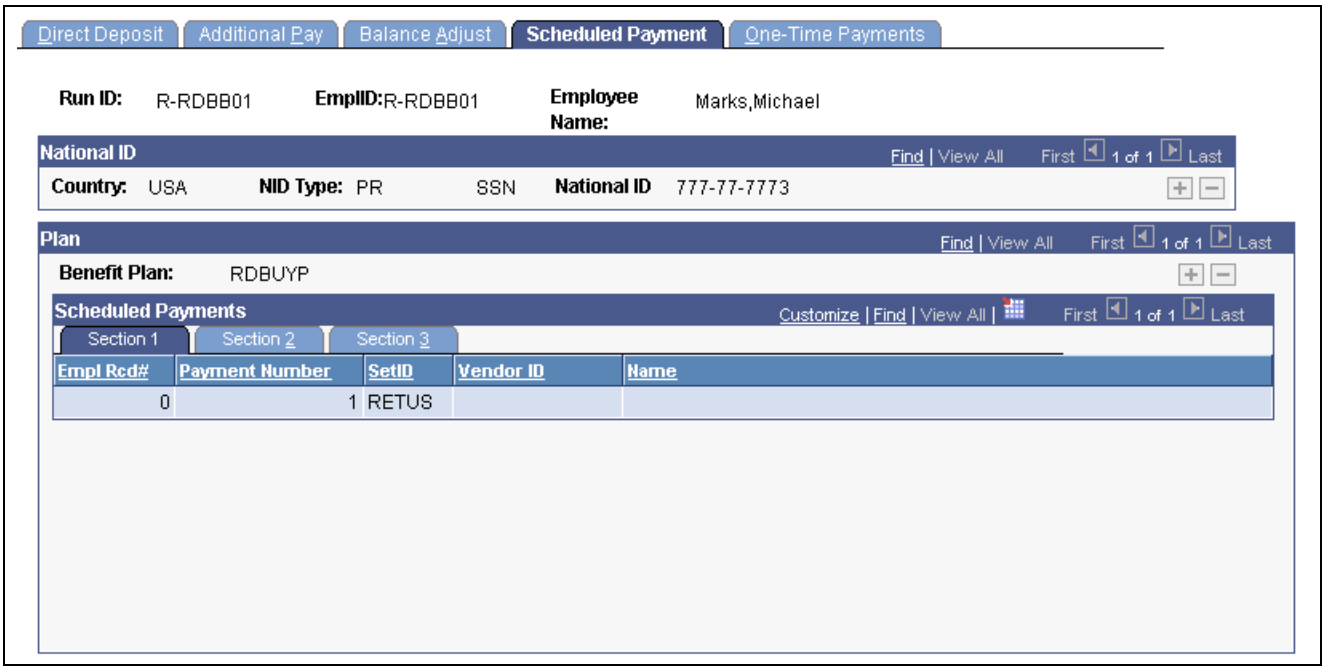
Balance adjustment records have the record type 70.

Balance Adjustment Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Pension Plan	Character	6	18	23
Adjustment Reason	Character	1	24	24
Adjustment Amount	Signed Decimal	9.2	25	35
Nontaxable portion of adjustment amount	Signed Decimal	9.2	36	46

Viewing Trustee Extract Contents: Scheduled Payments

Access the Scheduled Payment page.

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Scheduled Payment page

Scheduled payment records have the record type 80.

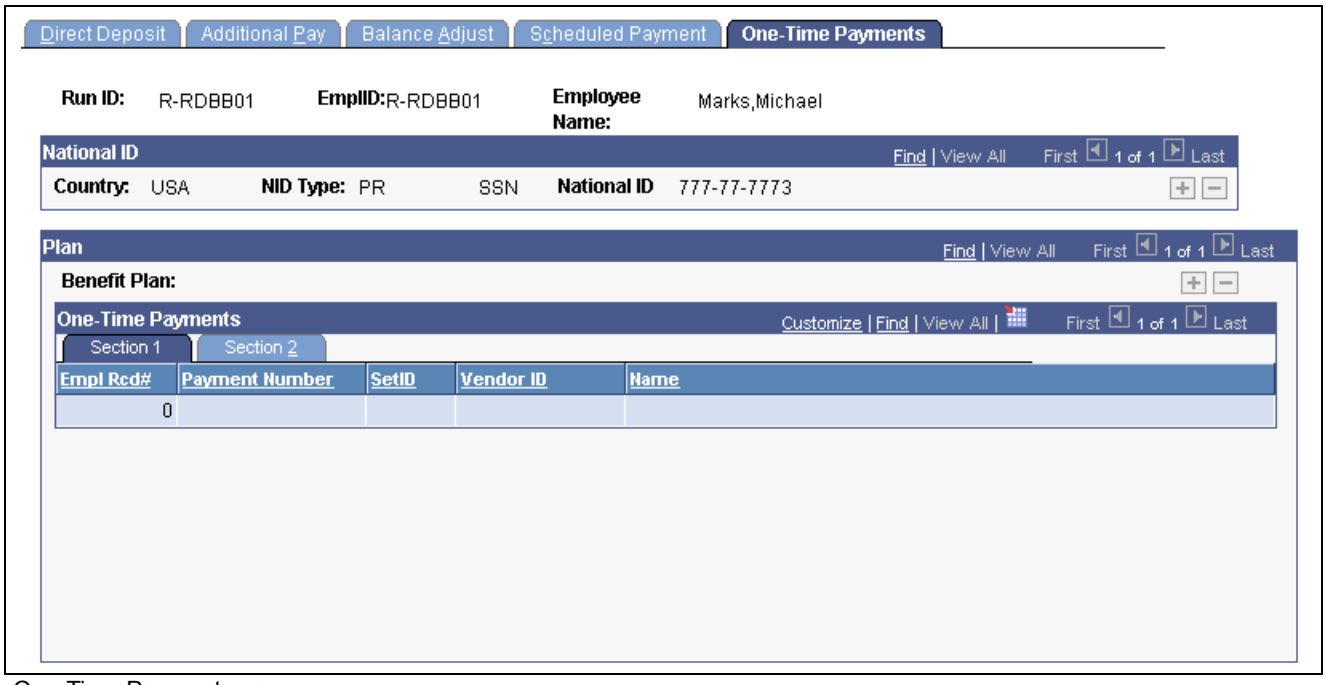
Scheduled Payment Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Pension Plan	Character	6	18	23
Payment Number	Number	4	24	27
SetID	Character	5	28	32
Vendor ID	Character	10	33	42
Optional Form Code	Character	4	43	46
Optional Form Years Guaranteed	Number	4	47	50

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Scheduled Payment Data	Format	Length	Beginning Position	Ending Position
Optional Form Percent Continued	Signed Decimal	3.2	51	55
Payment Frequency	Character	4	56	59
Payment End Date	Character	10	60	69
Payment Amount	Signed Decimal	9.2	70	80
Nontaxable Portion of Payment Amount	Signed Decimal	9.2	81	91

Viewing Trustee Extract Contents: One-Time Payments

Access the One-Time Payments page.



One-Time Payments page

One-time payment records have the record type 81.

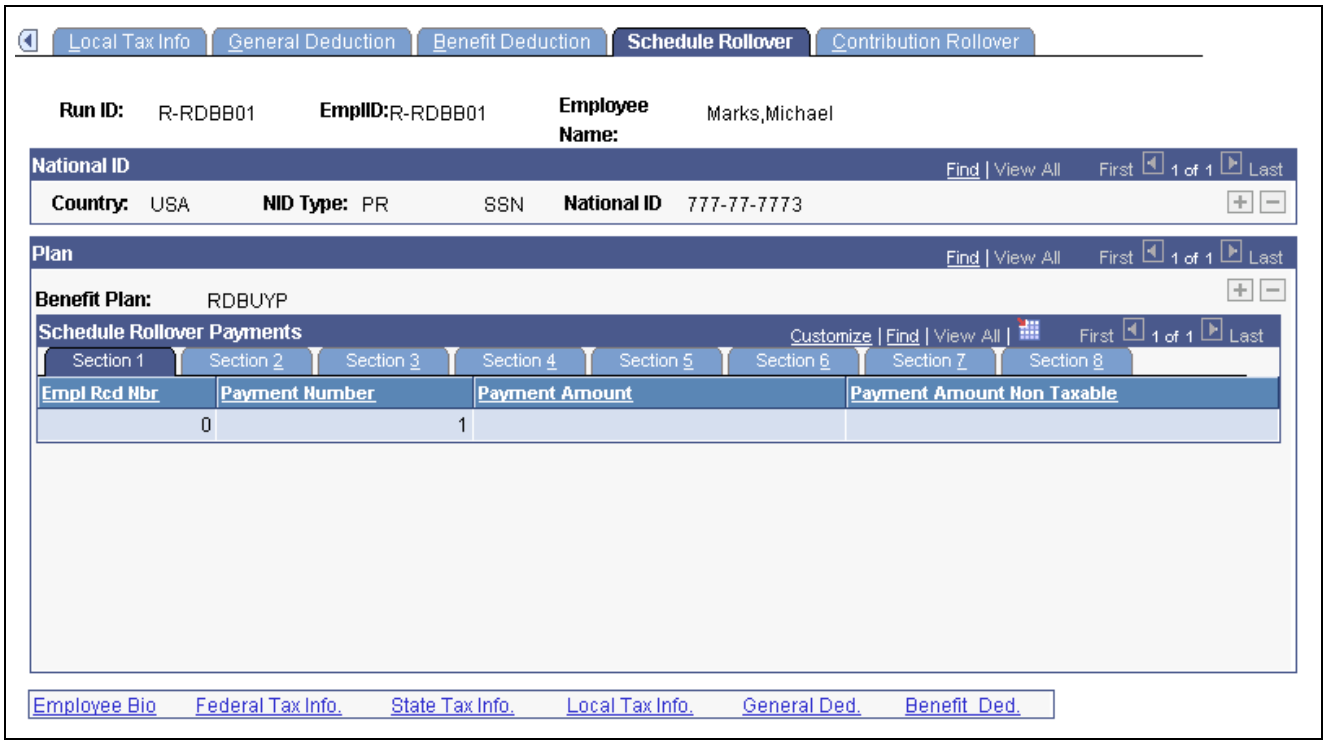
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One-Time Payment Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Pension Plan	Character	6	18	23
Payment Number	Number	4	24	27
SetID	Character	5	28	32
Vendor ID	Character	10	33	42
Reason for One Time Payment	Character	1	43	43
Amount of One Time Payment	Signed Decimal	9.2	44	54
Nontaxable Portion of One Time Payment Amount	Signed Decimal	9.2	55	65

Viewing Trustee Extract Flat File Contents: When Retirement Payments are run Using Confirmation Processing

Access the Schedule Rollover page.

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Schedule Rollover page

Records that contain rollover information from a Payment Schedule or a Manual Schedule have Record Type 82.

Scheduled Payment Rollover Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Pension Plan	Character	6	18	23
Payment Number	Number	4	24	27
Account Name	Character	50	28	77
Account Number	Character	17	78	94
Taxpayer ID	Character	14	95	408

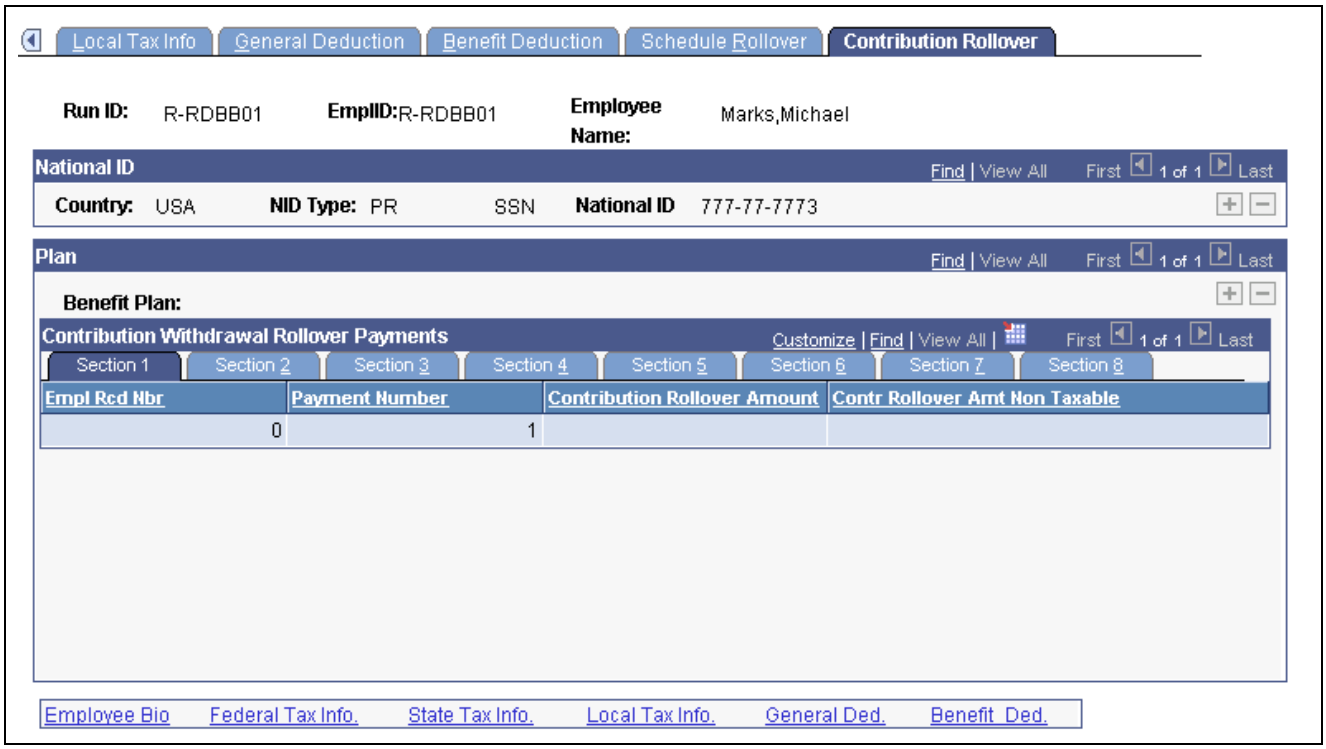
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Scheduled Payment Rollover Data	Format	Length	Beginning Position	Ending Position
Distribution Code	Character	2	109	110
Institution Name	Character	40	111	150
Institution Line Address 1	Character	55	151	205
Institution Line Address 2	Character	55	206	260
Institution Line Address 3	Character	55	261	315
Institution City	Character	30	316	345
Institution County	Character	30	346	375
Institution State	Character	6	376	381
Institution Postal Code	Character	12	382	393
Institution Country	Character	30	394	423
Rollover Amount	Signed Decimal	9.2	424	434
Nontaxable Portion of Rollover Amount	Signed Decimal	9.2	435	445

Reviewing Trustee Extract Flat File Content for Contribution Withdrawals

Access the Contribution Rollover page.

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Contribution Rollover page

Records that contain rollover information from a Contribution Withdrawal have Record Type 83.

Contribution Withdrawal Rollover Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Employee ID	Character	11	3	13
Employee Record Number	Number	4	14	17
Pension Plan	Character	6	18	23
Payment Number	Number	4	24	27
Account Name	Character	50	28	77
Account Number	Character	17	78	94
Taxpayer ID	Character	14	95	408

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Contribution Withdrawal Rollover Data	Format	Length	Beginning Position	Ending Position
Distribution Code	Character	2	109	110
Institution Name	Character	40	111	150
Institution Line Address 1	Character	55	151	205
Institution Line Address 2	Character	55	206	260
Institution Line Address 3	Character	55	261	315
Institution City	Character	30	316	345
Institution County	Character	30	346	375
Institution State	Character	6	376	381
Institution Postal Code	Character	12	382	393
Institution Country	Character	30	394	423
Rollover Amount	Signed Decimal	9.2	424	434
Nontaxable Portion of Rollover Amount	Signed Decimal	9.2	435	445

Viewing Trustee Extract Contents: Header Record

The Trustee Extract file has one header record. The header record contains information about the payments that is not specific to individual employees. Therefore, the employee-based Review Trustee Extract Content pages do not display the header information.

Header records have the record type 10.

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Header Record Data	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Run ID	Character	10	3	12
Payment End Date	Character	10	13	22
Check Date	Character	10	23	32

Viewing Trustee Extract Contents: Control Totals

A control total record contains a summary and count of all the records on a Trustee Extract file. This record shows the number of records of each type and the total payment amounts on the file.

You can use the control total record to verify record counts and payment amounts.

Control total records have the record type 99.

Control Totals	Format	Length	Beginning Position	Ending Position
Record Type	Character	2	1	2
Payment End Date	Number	10	3	12
Check Date	Number	10	13	22
Total Type 20 Records	Number	4	23	26
Total Type 30 Records	Number	4	27	30
Total Type 31 Records	Number	4	31	34
Total Type 32 Records	Number	4	35	38
Total Type 40 Records	Number	4	39	42

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Control Totals	Format	Length	Beginning Position	Ending Position
Total Type 41 Records	Number	4	43	46
Total Type 50 Records	Number	4	47	50
Total Type 60 Records	Number	4	51	54
Total Type 70 Records	Number	4	55	58
Total Type 80 Records	Number	4	59	62
Total Type 81 Records	Number	4	63	66
Total Type 82 Records	Number	4	67	70
Total Type 83 Records	Number	4	71	74
Total Other Pay	Signed Decimal	9.2	75	85
Total Adjustment Amount	Signed Decimal	9.2	86	96
Total Adjustment Amount Nontaxable	Signed Decimal	9.2	97	107
Total Payment Amount	Signed Decimal	9.2	108	118
Total Payment Amount Nontaxable	Signed Decimal	9.2	119	129
Total One Time Payment Amount	Signed Decimal	9.2	130	140

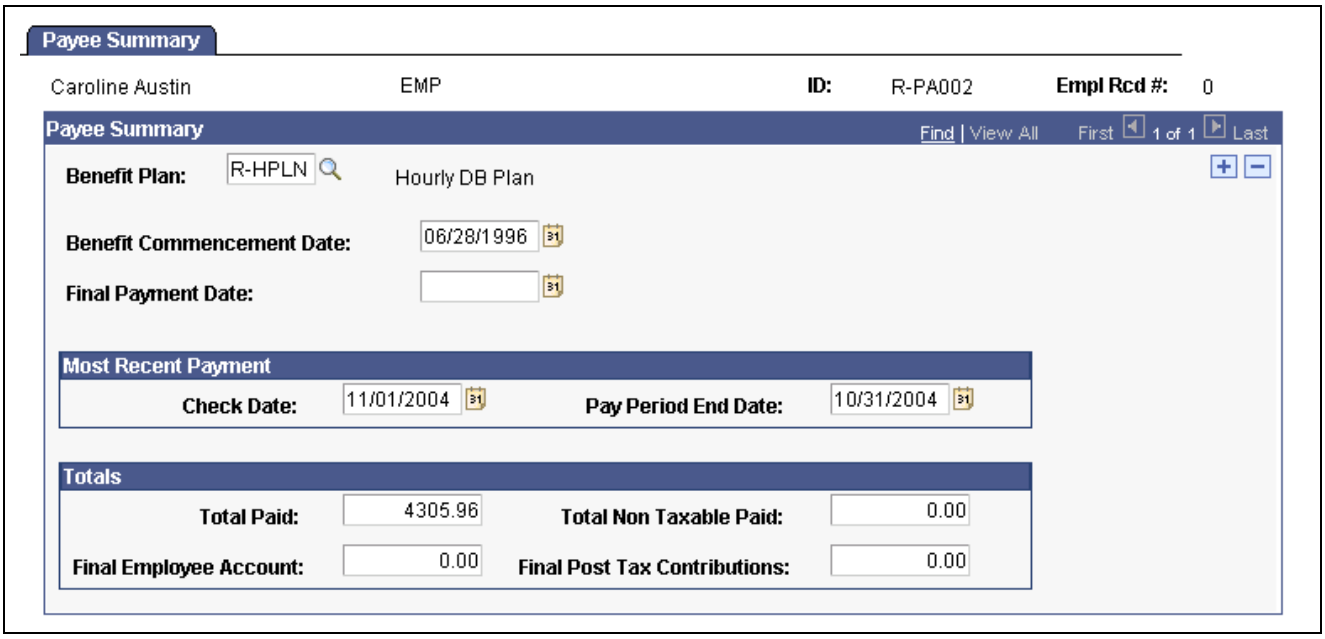
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Control Totals	Format	Length	Beginning Position	Ending Position
Total One Time Payment amount Nontaxable	Signed Decimal	9.2	141	151
Total Rollover Amounts From Scheduled Payments	Signed Decimal	9.2	152	162
Total Non-Taxable Rollover Amounts From Scheduled Payments	Signed Decimal	9.2	163	173
Total Rollover Amounts From Contribution Withdrawals	Signed Decimal	9.2	174	184
Total Non-Taxable Rollover Amounts From Contribution Withdrawals	Signed Decimal	9.2	185	195

Tracking the Payee Summary

Access the Payee Summary page.

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Payee Summary page

Note. The payment summary does not adjust running totals based on scheduled balance-only adjustments. When you schedule a balance-only adjustment, you should manually update the payment summary information.

Benefit Plan The benefit plan is the plan paying the retirement benefits for the specified record number (job number). Remember, a payee has separate jobs for separate plan benefits.

Benefit Commencement Date The benefit commencement date is the effective date of the first active payment record on a payee's payment schedule. This gets set after the first payment.

Final Payment Date The final payment date is the date of the last payment. This is set during the payment period after the last payment.

Most Recent Payment

The Most Recent Payment group box provides information about the most recently processed pension payment.

Check Date The check date of the most recently processed pension payment.

Pay Period End Date The pay period end date of the most recently processed pension payment.

Totals

The Totals group box contains several running totals for the payments.

Total Paid The total amount paid is the sum of all payments.

This amount is updated each time a person is paid.

Total Non Taxable Paid When the total nontaxable amount paid is equal to the final posttax contributions, the system automatically overrides instructions to treat any part of a recurring or one-time payment as nontaxable. You can still, however, make an adjustment to the nontaxable balance with a one-time balance

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adjustment. If such an adjustment leaves room for additional nontaxable payments, the system once again permits them.

The total nontaxable amount paid is the portion of the total paid amount that was treated as nontaxable.

This amount is updated each time a person is paid.

Final Employee Account

The final employee account amount is the final value of employee contributions (including interest) at the benefit commencement date. This amount includes taxable and nontaxable components. When a payee dies, you can compare this amount to the total paid amount to determine whether the payee recovered the entire value of the account.

Final Post Tax Contributions

The Final Post Tax Contributions field provides the nontaxable component of a final employee account. You can use this to track total nontaxable payments.

When the total nontaxable amount paid is equal to the final posttax contributions amount, the system automatically overrides instructions to treat any part of a recurring or one-time payment as nontaxable. You can still, however, make an adjustment to a nontaxable balance with a one-time balance adjustment. If such an adjustment leaves room for additional nontaxable payments, the system once again permits them.

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CHAPTER 55

Administering Pension Payees

This chapter discusses how to:

- Administer terminated employees.
- Administer retiree deaths.
- Administer employee deaths.
- Change payment amounts.

Note. Make sure that your organization's requirements become part of the Pension Administration system by setting up pension activity lists.

See Also

Chapter 59, "Maintaining Public Tables," page 629

Chapter 58, "Recording Communications," Setting Up Activity Lists, page 626

Administering Terminated Employees

This section discusses how to:

- Terminate employees.
- Terminate deferred-vested employees.
- Pay terminated vested employees.

Terminating Employees

When an employee terminates, you first determine whether the employee has a vested benefit. Run periodic processing or a calculation to make this determination. If there is no vested benefit, your organization may still have some paperwork to complete (perhaps a notification letter), or you may be done.

If the employee is vested, you have to run a calculation and provide the departing employee with a statement of benefits. This is considered a final calculation, so be sure to run periodic processes through the termination date so that the calculation has the most up-to-date consolidation information available. If there are additional earnings or hours after the termination date, you manually override the consolidated amounts on the Review Consolidation Results (CONS_HOURS_HIST) pages.

After you produce an acceptable final calculation, be sure to protect the calculation used to produce the benefits. Protecting a calculation prevents the system from deleting the calculation or its results during periodic processing. It also prevents anyone from changing the calculation parameters and running the calculation with different assumptions.

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After an employee has terminated, the benefit stops accruing and the actual amount of the benefit is then known. This information is important for your plan's annual actuarial valuation. In order to include the known benefit amount in Pension Administration's actuarial valuation extract, set up a payment schedule based on this amount.

Of course, at this point you do not know what optional form of payment the employee will choose, nor do you know when the employee will elect to start receiving payments. The payment schedule should therefore use the normal form of payment (typically, a single life annuity) scheduled to start on the normal benefit commencement date.

To ensure that you do not use this schedule as the basis for real pension payments, set up the schedule with a deferred status. This prevents the system from including payment instructions in the Trustee Extract process.

Scheduling payment requires that you complete several steps: establishing the payee record, recording an optional form of payment selection, and setting up the actual schedule. These are the same steps that you would perform if the employee were retiring—except that you do not manually update the pension status. Your next periodic processing job automatically sets the status to *TDF - Terminated Deferred Vested.*

The following table summarizes the tasks you perform to terminate an employee:

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Task	Page	Navigation
Verify that the employee has terminated and is vested.	Salary Rate History	Pension, Pension Information, Review Job History, Salary Rate History
	Employee Type History	Pension, Pension Information, Review Job History, Employee Type History
	Action/Reason History	Pension, Pension Information, Review Job History, Action/Reason History
	Plan Information	Pension, Pension Information, Review Plan History, Plan Information
	Eligibility and Participation	Pension, Pension Information, Review Plan History, Eligibility and Participation
	Service History	Pension, Pension Information, Review Plan History, Service History
	Cash Balance History	Pension, Pension Information, Review Plan History, Cash Balance History
	Employee Account History	Pension, Pension Information, Review Plan History, Employee Account History
	Action/Reason History	Pension, Review Calculations, Review Main Results, Action/Reason History
	Vesting	Pension, Review Calculations, Review Calculation Results, Vesting

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Task	Page	Navigation
Run consolidations through the termination date. Make any manual corrections to the consolidations based on late earnings, hours, or contributions.	Batch Periodic Process	Pension, Periodic Processes, Request Process, Batch Periodic Process
	Earnings History	Pension, Pension Information, Review Consolidation Results, Earnings History
	Hours History	Pension, Pension Information, Review Consolidation Results, Hours History
	Contribution History	Pension, Pension Information, Review Consolidation Results, Contribution History
Calculate the benefit, and prepare a benefit statement.	Calculate Pension	Pension, Calculations, Request Calculation, Calculate Pension
Protect the calculation and the results from deletion.	Protect Calculation	Pension, Calculations, Protect Calculations, Protect Calculation
Establish the employee as a pension payee.	Create Payee	Pension, Payments, Create Payee, Create Payee
Select an optional form of payment.	Payee Form Selection	Pension, Payments, Identify Optional Form, Payee Form Selection
Create a deferred payment schedule, based on a default payment form and benefit commencement date.	Payee Payment Schedule	Pension, Payments, Request Payment Schedule, Payee Payment Schedule
Record your activities and communications.	General Comment	Pension, Pension Information, Capture Comments, General Comment
	Activity List	Pension, Pension Information, Assign Activity List, Activity List

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See Also

Chapter 46, “Calculating Pension Benefits,” Protecting a Calculation, page 427

Chapter 52, “Establishing Pension Payees,” page 519

Chapter 53, “Preparing Pension Payments,” page 533

Chapter 58, “Recording Communications,” page 625

Terminating Deferred-Vested Employees

When an employee terminates with a vested benefit, you perform most of the tasks that you perform when an employee retires. You perform these tasks at two different times: at termination and at benefit commencement.

The following table shows the activities required to retire an employee and to terminate a deferred-vested employee:

Retiring an Employee	Administering a Terminated Deferred-Vested Employee
Establish the payee record.	Do this at termination. Select the payee type *Terminated Deferred Vested.*
Update the pension status.	Do not do this. The system automatically maintains the status *Terminated - Deferred Benefit.*
• Calculate the benefit. • Protect the calculation. • Record the optional form of payment selection. • Schedule payments.	Do this once at termination and again at benefit commencement. The schedule that you create at termination time is required in order for the actuarial valuation extract to report on the known liability of the employee’s pension benefit. The schedule that you create at benefit commencement date is used to pay the employee.
Record tax, direct deposit, and deduction information.	Do this at benefit commencement.

Paying Terminated Vested Employees

You establish the payee record for a terminated vested employee at the time of the termination, so you do not need to perform this task when the employee is ready to start receiving payments.

You usually run a new calculation for a terminated vested employee. There are at least two reasons to do this: First, depending on when the employee elects to retire, there may be early or late retirement adjustments. Second, if an employee’s marital status has changed, the optional forms of payment calculations are affected.

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After you run a retirement calculation, you complete the steps for retiring the employee: protect the calculation, select the optional form of payment, and schedule the payment. You can delete the optional form of payment selection and payment schedule that you set up at the time of termination. These are placeholders that were set up so that the actuarial valuation extract could access the benefit information. After you enter the actual payment information, the placeholders are no longer necessary.

Remember to record tax, direct deposit, and deduction information, and to use activity lists to monitor the flow of retirement paperwork.

The following table summarizes the actions you perform when a terminated vested employee retires:

Task	Page	Navigation
Recalculate the benefit, if necessary, and prepare a benefit statement.	Calculate Pension	Pension, Calculations, Request Calculation, Calculate Pension
Protect the calculation and the results from deletion.	Protect Calculation	Pension, Calculations, Protect Calculations, Protect Calculation
Select an optional form of payment.	Payee Form Selection	Pension, Payments, Identify Optional Form, Payee Form Selection
Record tax, direct deposit, and deduction information.	Payee Maintenance	Pension, Payments, Identify Payment-Related Info, Payee Maintenance
Schedule the payment.	Payee Payment Schedule	Pension, Payments, Request Payment Schedule, Payee Payment Schedule

Administering Retiree Deaths

This section provides an overview of retiree death administration and discusses how to:

- Stop payments when a retiree dies.
- Update pension status when a retiree dies.
- Set up beneficiary payments.

Understanding Retiree Death Administration

When a pension payee dies, you need to stop payments and possibly begin beneficiary payments. For contributory plans, you need to check that the retiree recovered all contributions, and that all posttax contributions were recovered as nontaxable benefits.

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Stopping Payments When a Retiree Dies

You use the Payee Payment Schedule page to stop payments to a retiree who dies. You do this by changing the Payment Status field value to *Stopped.*

You need to record tax, direct deposit, and deduction information on the Payee Maintenance page.

You may need to make a partial payment for the month of death, recover overpayments for time since the death, and adjust the payee's balances to reflect any recovered money so that the amount does not appear on the payee's 1099-R. You do this on the Payee Adjustment Schedule page.

The following table summarizes the actions you perform to stop a retiree's payments:

Task	Page	Navigation
Stop retiree's payments.	Payee Payment Schedule	Pension, Payments, Request Payment Schedule, Payee Payment Schedule
Record tax, direct deposit, and deduction information.	Payee Maintenance	Pension, Payments, Identify Payment-Related Info, Payee Maintenance
Adjust payments or balance adjustments.	Payee Adjustment Schedule	Pension, Payments, Make One Time Adjustment, Payee Adjustment Schedule

See Also

Chapter 52, "Establishing Pension Payees," page 519

Chapter 53, "Preparing Pension Payments," Defining the Payee Payment Schedule, page 547

Chapter 53, "Preparing Pension Payments," page 533

Updating Pension Status When a Retiree Dies

To manually update the pension status of a participant who dies, access the Employee Pension Status page.

Set the status to either *Deceased-With Beneficiary* or *Deceased-No Benefit/Beneficiary.*

If you fail to update the status, the payment process automatically sets the status to *Retired-Payment Complete* the next time it runs. This affects the Form 5500 Participant Count report, which is based on pension statuses.

See Also

Chapter 44, "Using Pension Statuses," page 377

Chapter 51, "Maintaining Employee Pension Data," Maintaining Pension Status Codes, page 496

Setting Up Beneficiary Payments

Depending on the optional form of payment selected by a payee, there may be a survivor benefit due to a beneficiary when a retiree dies.

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You can find information about this on the Payee Payment Schedule page:

- The payee's payment schedule shows the form of payment.
- A non-zero value in the Percent Continued field indicates that there is a survivor benefit.
- The system-calculated benefits show the beneficiary amount on the original payee's schedule.

If there is a survivor benefit and the beneficiary is still alive, you need to set up the beneficiary as a pension payee and start making survivor payments. You do this on the Create Payee and Payee Pension Status pages.

Note. Even if the beneficiary is also an employee of the company, you need to set up a separate payee record.

You do not have to record an optional form of payment selection because the payment amount is determined by the original retiree's payment form.

You need to set up the beneficiary payment information:

1. Access the Payee Adjustment Schedule page.
    a. Enter the benefit plan from the retiree's benefit.
    b. Enter the payment number from the retiree's benefit.

    The system automatically fills in the payment information, using appropriate amounts from the retiree's payment schedule.
2. Access the Payee Payment Schedule page.
    a. Enter a payment status: *Active, Deferred, Stopped* or *Suspended.*
    b. Set the payment choice to the appropriate beneficiary payment.

The following table summarizes the actions you perform to set up beneficiary payments:

Task	Page	Navigation
Check whether there is a survivor benefit.	Payee Payment Schedule	Pension, Payments, Request Payment Schedule, Payee Payment Schedule
Create the beneficiary's payee record.	Create Payee	Pension, Payments, Create Payee, Create Payee
	Employee Pension Status	Pension, Pension Information, Identify Pension Status, Employee Pension Status
Schedule beneficiary's payments.	Payee Adjustment Schedule	Pension, Payments, Make One Time Adjustment, Payee Adjustment Schedule
	Payee Payment Schedule	Pension, Payments, Request Payment Schedule, Payee Payment Schedule

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Administering Employee Deaths

All qualified plans must offer a preretirement survivor annuity (PRSA). Therefore, if an employee dies before retiring, there may be a benefit due to a surviving spouse. Depending on your plan, this may also apply when a terminated vested employee dies.

When an employee dies before retiring, first determine whether there is a benefit payable. To do this, run a calculation with the calculation reason *Death.* Depending on how you set up your system, the optional forms of payment results for this calculation include a joint and survivor form, where the survivor benefit is the death benefit.

If there is a benefit due, establish the beneficiary's payee record, enter the beneficiary's tax, direct deposit, and deduction information, then schedule the payments.

To use Pension Administration's automatic payment scheduling, you have to go though the same steps that you do when an employee retires: Create a payee record for the employee, select the appropriate optional form of payment, and schedule a payment (tax and direct deposit records are not necessary because there are no actual payments.) You can then schedule the beneficiary's payments, and the system automatically gets the beneficiary amount from the optional forms of payment results.

Note. Use the Payee Manual Schedule page to schedule beneficiary payments manually if there is not already a retiree payment schedule. The Payee Manual Schedule page is discussed in detail in "Preparing Pension Payments."

See Also

Chapter 53, "Preparing Pension Payments," page 533

Changing Payment Amounts

This section provides an overview of reasons for changing payment amounts, lists the page used to define changes in payment amounts, and discusses how to:

- Adjust level income forms of payment.
- Administer pop-up and last to survive options.
- Define retiree COLA (cost of living adjustment) information.

Understanding Reasons for Changing Payment Amounts

Individual pension payments can change for various reasons. A retiree may have elected a form of payment that provides for a different amount under specific circumstances. For example, a level income option provides for a reduced payment when the retiree attains social security retirement age, a pop-up payment provides for an increased benefit if the beneficiary predeceases the retiree, and a last to survive annuity provides for a reduced benefit when the beneficiary predeceases the retiree.

A plan can also grant a cost of living adjustment that increases pension benefits for all pension payees who meet specified criteria.

Use the Retiree COLA and Payee Payment Schedule pages to change payment amounts.

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Page Used to Change Payment Amounts

Note. The Payee Payment Schedule page is discussed in detail in "Preparing Pension Payments." This section only discusses the fields on that page that relate to changing payment amounts.

Page Name	Object Name	Navigation	Usage
Retiree COLA	RUNCTL_PASCOLA	Pension, Payments, Calculate COLA, Retiree COLA	Change COLA payment information for retirees.

Adjusting Level Income Forms of Payment

If a retiree selects a level income form of payment, you need to decrease payments when the retiree reaches the level income age, normally the social security retirement age (SSRA). Use the Payee Payment Schedule page to adjust the payments.

The level income form of payment has both pre-SSRA and post-SSRA retiree amount options. Because you already know an employee's SSRA, you do not need to wait for the employee to attain that age in order to set up the payments. Instead, you can set up both the pre- and post-SSRA payments when you initially schedule payments. The effective date controls the amount that the retiree receives and ensures that payments automatically decrease at the right time.

To change a retiree's regularly scheduled payment amount, modify the fields described below:

Effective Date Insert a new effective date, when the payments should be decreased.

Payment Choice Change the payment choice to *2* (the post-SSRA amount).

Administering Pop-up and Last to Survive Options

Under the pop-up form of payment, a retiree has a joint and survivor annuity with an extra provision: If the beneficiary predeceases the retiree, the retiree's pension payment pop ups to an equivalent single life annuity amount (normally there is a penalty for the pop-up insurance).

Under the last to survive form of payment, when either the retiree or the beneficiary dies the annuity is reduced to the specified percentage.

The pop-up form of payment has retiree amount and pop-up amount options. When a beneficiary predeceases a retiree, you change the retiree's payments from the retiree amount to the pop-up amount.

For a last to survive annuity, there are retiree and survivor amounts. If the retiree dies first, set up the beneficiary just as you would for a normal joint and survivor annuity. If the beneficiary dies first, change the retiree's schedule so that the retiree receives the beneficiary amount.

To change a retiree's regularly scheduled payment amount, modify the fields described below:

Effective Date Insert a new effective date, when the payments should be increased.

Payment Choice Change the payment choice to the pop-up amount.

See Also

Chapter 53, "Preparing Pension Payments," Defining the Payee Payment Schedule, page 547

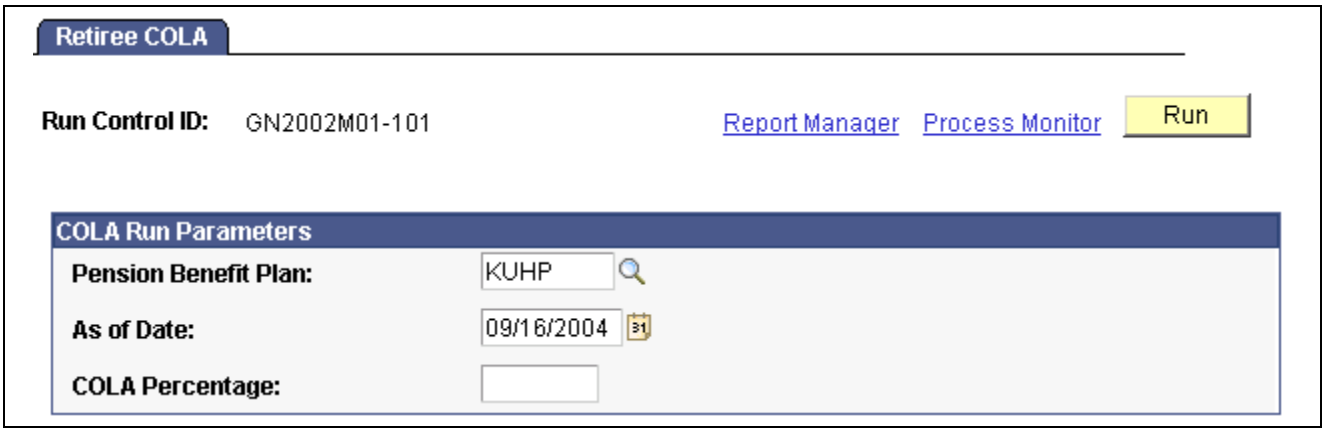
Chapter 53, "Preparing Pension Payments," page 533

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Defining Retiree COLA Information

A COLA for a retiree typically takes the form of a percentage increase in a benefit. Pension Administration enables you to calculate and schedule the new payment amount for all employees receiving benefits from a particular plan.

Access the Retiree COLA page.



Retiree COLA page

COLA Run Parameters

Pension Benefit Plan Identify the pension benefit plan granting the COLA for the increased payments.

COLA Percentage The COLA percentage is the increase factor for the adjustment. This percentage is always applied to the current pension payment, a compound COLA. If you need to apply the COLA to the original amount, you must modify the COLA SQR.

Click Run to run this request. The Process Scheduler runs the Retiree COLA process at user-defined intervals.

After you run the Retiree COLA process, you can see the COLA for any individual payee in that person's payment schedule. To do this, access the Payee Payment Schedule page.

This page contains a new row with an effective date that matches the COLA date. The Payment Reason field contains the value *Result of COLA Adjustment*. Both the retiree amount and any additional amounts—for example, a beneficiary amount—reflect the new, higher pension payment.

Because the beneficiary amount has been adjusted, if the retiree dies and you schedule payments to the beneficiary, the system automatically copies the adjusted amount to the beneficiary's schedule.

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CHAPTER 56

Administering Contributory Plans

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

- Define pension plan contributions.
- Track contributions.
- Administer contribution withdrawals and service buyback.
- Administer service purchase.
- Manage multiple withdrawal or purchase accounts.
- Ensure that retirees recover their contributions.

Understanding Contributory Plans

Contributory plans require employees to contribute a specified portion of their wages to help fund their pension benefits. In this section, you look at some of the administrative tasks necessary for collecting, tracking, and administering employee contributions.

If you sponsor contributory plans, you can use the PeopleSoft Enterprise HRMS system to deduct employees' pension contributions from their paychecks. The Pension Administration standalone configuration does not support payroll deduction processing.

Defining Pension Plan Contributions

To define pension plan contributions, use the Pension Plan Table (PENS_PLAN_TABLE_US) component. This section provides an overview of pension plan contributions, lists the page used to define pension plan contributions, and discusses how to define pension plan contributions.

Understanding Pension Plan Contributions

The process of taking pension deductions from employee paychecks is identical to the process used for other benefit deductions such as those for medical or life benefits. After you set up a benefit plan with the appropriate calculation rules, you administer the deduction process using other HRMS applications:

- Use PeopleSoft Enterprise Benefits Administration or the Manage Base Benefits business process to enroll employees in the plan.

  It is not enough for a plan to simply exist; you must also sign employees up for pension deductions.

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- Use PeopleSoft Enterprise Payroll for North America or PeopleSoft Enterprise Payroll Interface to calculate and apply the deductions in a particular pay run.

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits

PeopleSoft Enterprise Benefits Administration 9.0 PeopleBook

PeopleSoft Enterprise Payroll for North America 9.0 PeopleBook

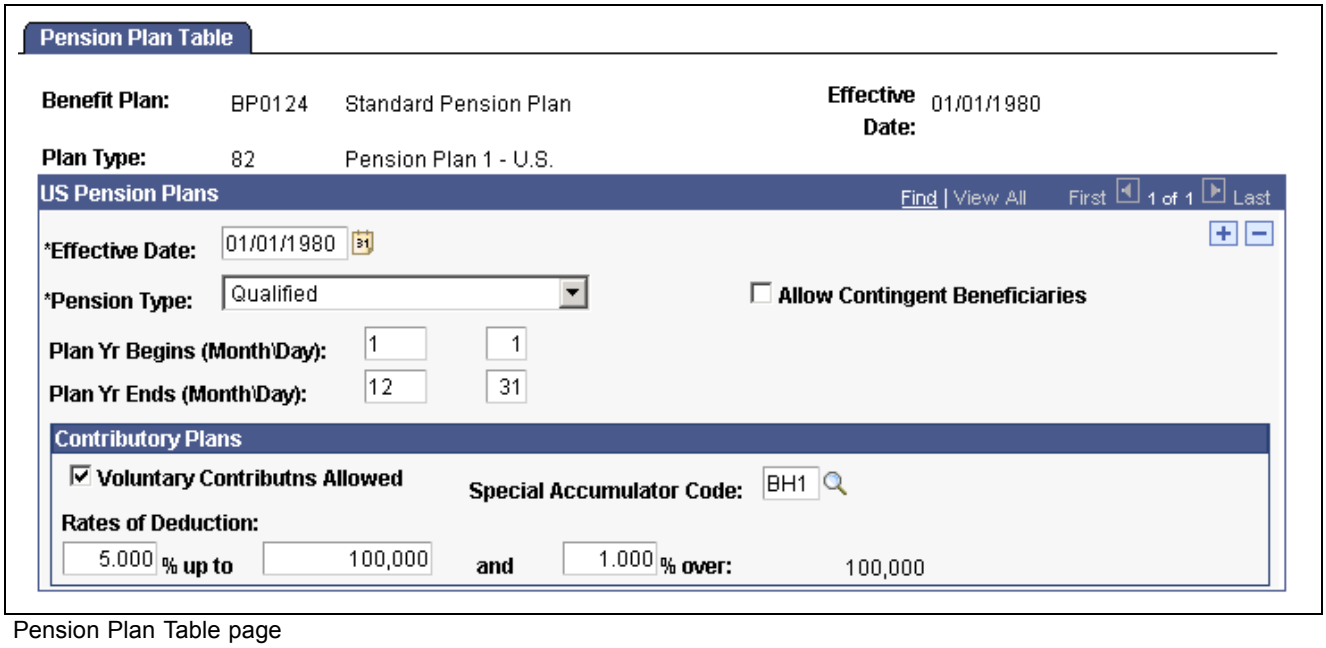
PeopleSoft Enterprise Payroll Interface 9.0 PeopleBook

Page Used to Define Pension Plan Contributions

Page Name	Object Name	Navigation	Usage
Pension Plan Table	PENS_PLAN_TABLE_US	Set Up HRMS, Product Related, Base Benefits, Plan Attributes, Pension Plan Table, Pension Plan Table	If you use the Manage Base Benefits business process, rather than Benefits Administration, to enroll employees in benefit plans, use this page to manually sign employees up for pension deductions.

Defining Pension Plans

Access the Pension Plan Table page.



Pension Plan Table page

US Pension Plans

Allow Contingent Beneficiaries Select if the plan allows non-spouse beneficiaries.

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Plan Yr Begins (Month/Day) (plan year begins [month/day]) and **Plan Yr Ends (Month/Day)** (plan year ends [month/day])

Specify the month and day when the plan year begins and ends. A plan year normally ends the day before the next year begins. However, if you change the plan year, the row for the resulting short plan year will have nonstandard beginning and end dates.

Important! Be sure to include a row for a short plan year. Failure to do this can cause calculation errors.

Contributory Plans

You can only incorporate a U.S. pension plan (plan types 82 to 87) into a manual or automated benefit program if the plan is defined as a contributory plan in which employees contribute some portion of their earnings.

Use this group box to enter information about a contributory plan.

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

Voluntary Contributns Allowed (voluntary contributions allowed)

Select this option if the plan allows voluntary contributions.

There are no parameters for defining voluntary contribution rates. These are established on an employee-by-employee basis when you enroll employees in the plan.

Special Accumulator Code

Select the code that tracks pensionable earnings.

Rates of Deduction

Enter the contribution rates. You can have different rates above and below a threshold. For example, employees can contribute 2 percent of earnings up to 50,000 USD and 3 percent of earnings above that. Enter the rate up to the threshold in the first Rates of Deduction field, the threshold in the next field, and the rate beyond the threshold in the final field.

If the threshold changes—for example, if you use the taxable wage base as the threshold—insert additional effective-dated rows to record the changes.

See Also

Chapter 6, "Understanding Pension Plans," page 37

Tracking Contributions

This section provides an overview of contribution tracking and lists the pages used to track contributions.

Understanding Contribution Tracking

Periodic pension processing includes two processes that help you track employee contributions:

- The consolidation process reads payroll tables and puts the contributions into monthly or annual categories.
- The employee accounts process keeps running totals of the contributions and the interest they earn.

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Pages Used to Track Contributions

Page Name	Object Name	Navigation	Usage
Contribution History	PA_CONS_EARNS_HIST	Pension, Pension Information, Review Consolidation Results, Contribution History	• View the results of the periodic consolidation processing. • Override the values for particular periods.
Employee Account History	PA_CONTR_HIST	Pension, Pension Information, Review Plan History, Employee Account History	View the results of periodic processing for employee accounts.

See Also

Chapter 45, "Running Periodic Processes," page 389

Chapter 51, "Maintaining Employee Pension Data," Maintaining Consolidated Payroll Data, page 507

Chapter 48, "Viewing Employee Data," Viewing Plan-Related Information, page 464

Administering Contribution Withdrawals and Service Buyback

This section provides overviews of contribution withdrawals and service buyback and the administration of withdrawals, lists the page used to define contribution withdrawals, and discusses how to:

- Define payee contribution withdrawals.
- Credit a return of contributions and service buyback.
- Credit a return of contributions.

Understanding Contribution Withdrawals and Service Buyback

Employees who lose their plan eligibility, particularly terminated nonvested employees, often withdraw their contributions when they leave a plan. Depending on the plan rules, this usually means forfeiting the service earned during the period when the employee was contributing to the plan.

In this situation, you need to issue a check for the employee, change the account balance to zero (contributions and interest), change the service balance to zero, and store pertinent information in case the employee is later rehired and chooses to repay the contributions in order to restore the forfeited service.

Later, if the employee rejoins the plan and elects to buy back the forfeited service, you need to establish the repayment amount, which is the withdrawal amount plus interest. You need to get the employee's payments either by check or by payroll deduction. Finally, as you receive payments, you need to credit the employee's contributory account and the service balance.

Understanding the Administration of Withdrawals

If your plan allows employees to repay contributions after they have been withdrawn, then set up the system to include one or more withdrawal accounts. A *withdrawal account* is a subaccount of a plan's main (or "parent") contributory account. The withdrawal account is also associated with the plan service accrual.

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When an employee withdraws contributions, you establish a corresponding negative balance in the withdrawal account. This negative adjustment rolls up to the main contributory account to reduce its balance to zero—and, if you specify, it also reduces the balance in the corresponding service credit to zero.

If the employee later elects to repay the contributions, you can use periodic processing to apply interest to the withdrawal account and establish the amount to be repaid. The repayments are then applied to the withdrawal account and rolled up to the main contributory account. In any period when no repayment is made, periodic processing continues to apply interest to the withdrawal account. In any period when a repayment is made, the system does not apply additional interest to the withdrawal account.

As the payments are made, the service is restored using the restoration rule associated with the withdrawal account. The three available methods are restoring service on any payment, on full payment, or on a prorated basis as payments are made.

For example, when Mary leaves the company with three years of service, her employee account is worth 3,000 USD. Processing the withdrawal establishes a value of -3,000 USD in the withdrawal account. When the withdrawal account is rolled up to the main account, there is a zero balance in the main account. Processing the withdrawal additionally creates a service adjustment of negative three years, so her service is also zero.

Two years later, you rehire Mary, and she wants to repay her contributions and get back her three years of service. In order to do this, she has to pay back 3,000 USD with interest. Assume that the plan interest rate is 6 percent annually. Periodic processing calculates the interest and brings the withdrawal account up to date; with interest, the new balance is -3,370.80 USD.

Note. The interest calculation for a withdrawal account appears as negative activity in the withdrawal account, and it does not roll up to the main account, which still has a balance of zero.

If Mary writes you a check for 2,000 USD, apply the payment to the withdrawal account. Because this is positive activity, it rolls up to the main account. Now the withdrawal account balance is -1,370.80 USD, and the main account balance is 2,000 USD.

If the withdrawal account specifies service restoration on partial payment, Mary gets her entire three years of service back as soon as the 2,000 USD payment is processed. If the account requires full payment, Mary does not get any service back until she's paid back the last 1,370.80 USD she owes. If the account allows prorated restoration of service, Mary gets part of her service restored now and part later as she makes additional payments. In all cases, the system restores the service by generating a positive service adjustment to the appropriate amount.

If Mary buys back the service over an extended period of time, you can use periodic processing to continue adding interest to the amount due.

Note. All payments (positive adjustments) to a withdrawal account roll up to the main contributory account and, if appropriate, also generate service adjustments. However, the only negative activity that rolls up from a withdrawal account is an initial withdrawal of contributions entered on the Contribution Withdrawal page. Other negative activity, including interest charges and any adjustments you manually enter, does not roll up.

Withdrawal processing is triggered by an online transaction request, but actually occurs during two separate processes:

- The payment process pays out the contributions and sets up appropriate account adjustment requests.
- Periodic processing for employee accounts and service applies the adjustment requests, calculates the additional interest due if the employee decides to repay the withdrawal, and applies repayments.

  Repayments can come from payroll deductions. In this case, periodic processing puts the deductions into consolidated contribution categories and then into the withdrawal account.

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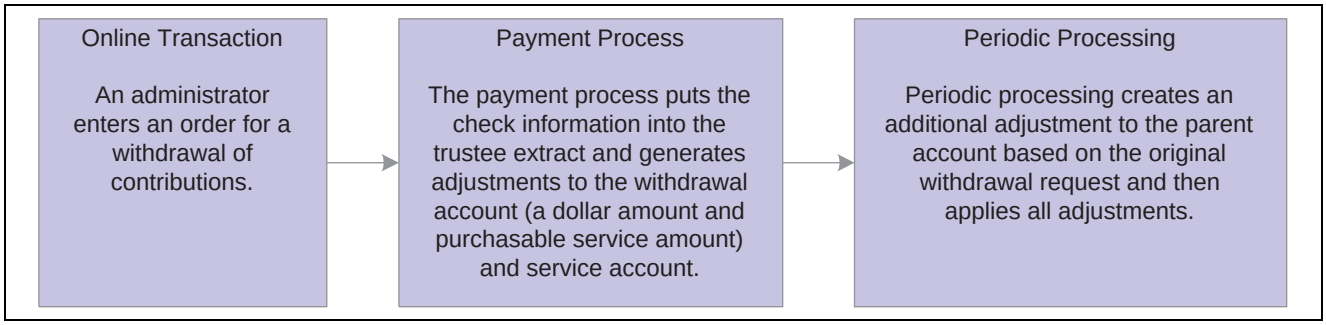
An employee can also make direct repayments by writing a check to the plan. In this case, you record the repayment using an online transaction (an adjustment request), which periodic processing subsequently applies to the account.

During the next Retiree Payments process, the system:

- Includes the withdrawal payment in the Trustee Extract file so that the third-party who cuts your pension checks will pay the employee the specified amount.
- Automatically enters adjustments to the withdrawal account and the master contributory account. If you select the option to forfeit service credit, the withdrawal changes the balance in the contributory account to zero.
- Enters an adjustment that changes the associated service to zero (service is not adjusted unless all contributions are withdrawn).

Although the adjustments are set up during the Retiree Payments process, they are actually applied during the next periodic processing.

The following diagram illustrates the flow for withdrawing contributions:



Withdrawing contributions

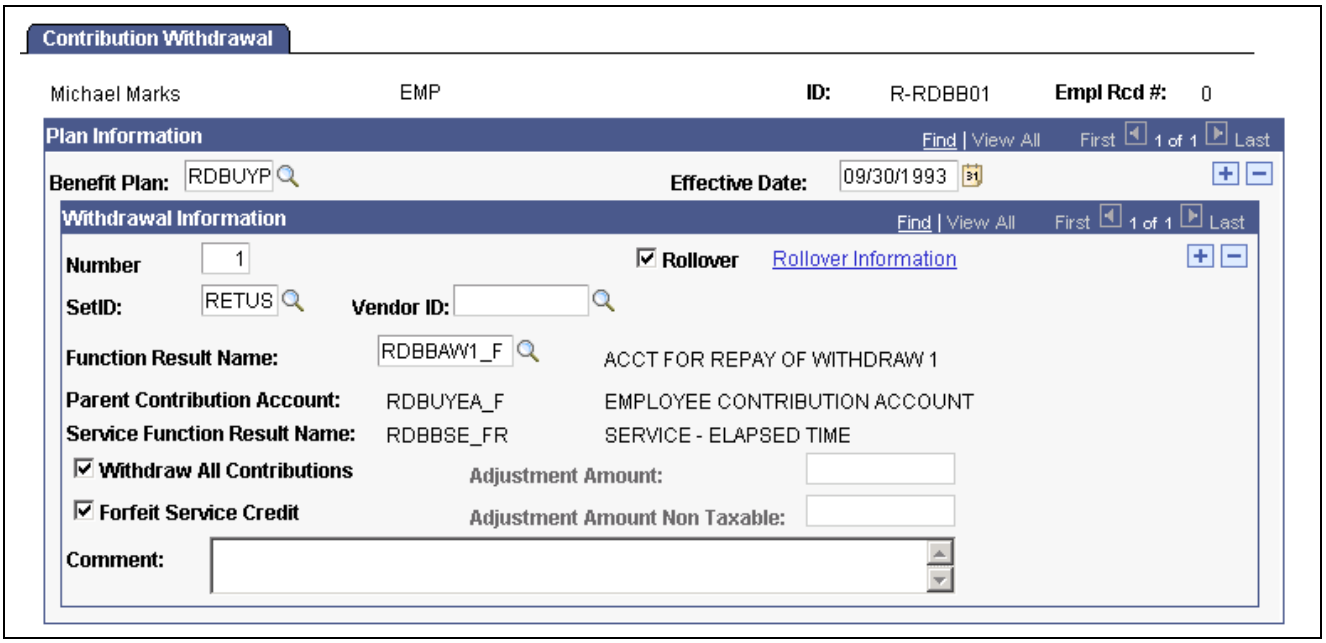
Page Used to Define Contribution Withdrawals

Page Name	Object Name	Navigation	Usage
Contribution Withdrawal	PA_WTHDRW_CTB	Pension, Payments, Withdraw Contribution, Contribution Withdrawal	Enter the transaction when an employee elects to withdraw contributions.

Defining Payee Contribution Withdrawals

Access the Contribution Withdrawal page.

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Contribution Withdrawal page

Plan Information

Empl Rcd# Displays the active employment record number.

Benefit Plan Identify the plan from which the employee is withdrawing contributions.

Effective Date Enter the date that the withdrawal is effective. The first payment process (for one-time payments) that you run after this effective date picks up the withdrawal request and includes the payment in the Trustee Extract file.

Withdrawal Information

Number This is a sequence number that you can use to distinguish among multiple withdrawals that you make from a plan on the same day. Typically, you only do this if you need to enter a payment in multiple components because there are multiple funding providers.

SetID and **Vendor ID** Select an ID to identify the funding source for the withdrawal. The provider is typically the plan itself.

You enter providers into the system from the provider table. The provider table is effective-dated, so the provider must be valid for the effective date of the payment. If you specify valid funding providers for the plan in the Plan Administration component, only those providers are available.

Function Result Name Select the function result name for the withdrawal account that tracks the withdrawal.

A withdrawal account rolls up to its parent account. By debiting a withdrawal account instead of the parent account, you enable the system to track interest on the withdrawn amount without forcing the main account to go negative.

Parent Contribution Account and **Service Function Result Name** When you enter a withdrawal account, the system displays the associated parent contribution account and service function result name. These are the accruals that are affected by the activity in the withdrawal account.

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When the withdrawal is processed, the negative adjustment to the withdrawal account (and thus to the parent account) is based on the last completed periodic processing for the parent account.

Withdraw All Contributions Select Withdraw All Contributions to change the balance in the parent contribution account to zero in a single transaction.

Adjustment Amount If you break the withdrawal into multiple components, either because there are multiple funding providers or because the employee is not withdrawing all contributions, enter the total amount to be withdrawn.

Forfeit Service Credit If an employee forfeits all service as a result of the withdrawal, select Forfeit Service Credit. If you select this option, the withdrawal account's "purchasable service" balance is set to the total value of the service account minus the amount paid out.

Note. The only option is to forfeit all service. The system does not support partial service forfeiture.

Adjustment Amount Non Taxable This is the portion of a withdrawal that is treated as nontaxable. When an employee's pension contribution is a posttax deduction, the employee has already paid taxes on that money. Contributions refunded are nontaxable. The interest portion of the employee account, however, is taxable.

Comment Enter any comments associated with this withdrawal.

Crediting a Return of Contributions and Service Buyback

In order to buy back service that was forfeited as the result of withdrawing contributions, an employee has to reimburse the plan with interest.

Note. The calculation page enables you to run calculations that give an employee full credit for all purchasable service, even if the employee has not made all the required payments. You control this option by selecting *Grant Full Service Credit* on the Define Calculation (CALCULATE_PENSION) - Main Page. Select this option only for estimates—not for final calculations.

The withdrawal account definition, like all employee account definitions, includes interest rules. Periodic processing of this account applies the appropriate interest and increases the amount due. After an employee is rehired, you can run periodic processing to update the account and establish the current buyback price. Interest continues to accrue until the employee repays all the money and the withdrawal account balance is zero. You can review current balances on the Employee Account History page.

Note. In any period when no repayment is made, periodic processing continues to apply interest to the withdrawal account. In any period when a repayment is made, the system does not apply additional interest to the withdrawal account.

An employee can make repayments through payroll deductions or by a writing checks directly to the plan.

For direct payments, enter the amounts on the Empl Acct Adj page.

For payroll deductions, set up an appropriate general deduction in Payroll for North America. This feeds into the purchase account through the consolidated deductions definition that you entered in the original definition of the purchase account.

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Note. When Payroll for North America processes the general deduction, it does not check the remaining balance in the withdrawal account. Therefore, to ensure that you stop taking deductions after the entire balance is repaid, you may want to set up the deduction with a target amount. As interest accrues on the account, you may have to increase the target.

See Also

Chapter 11, "Consolidating Payroll Data," Consolidating Contributions, page 86

Crediting a Return of Contributions

This topic discusses how to use the Empl Acct Adj page to credit a return of contributions. The complete documentation on the Empl Acct Adj page is in "Adjusting Contributory Accounts."

See Chapter 51, "Maintaining Employee Pension Data," Adjusting Contributory Accounts, page 499.

Benefit Plan and **Function Result Name** — Enter the plan and the function result name for the withdrawal account used to track the buyback amount.

Transaction Date — Enter the transaction date of the repayment.

Sequence number — If there are multiple adjustments to the account in a single day, enter a number to identify the adjustment.

Status — Displays *Pending* until period processing applies the adjustment to the employee's permanent cash balance account history. Then, the system updates the status to *Applied.*

Credit Adjustment and **Interest Adjustment** — These are the amounts to be applied to the credit and interest amounts in the employee account. To get the total adjustment amount, add these values.

Tax Type — The tax type indicates the employee account type to which the system should apply the credit and interest adjustments: posttax or pretax.

Normally, the full amount of an employee's repayment check is applied to posttax credits. However, there are cases when it is applied to pretax credits—for example, if the repayment is a rollover from a pretax account (such as certain types of IRAs). Some repayments that are input as payroll deductions are also pretax credits; in this case, the consolidation process automatically determines the appropriate type.

Note. With normal employee account processing, the posttax interest credits indicate the interest on the posttax contributions. However, the interest itself is pretax. Do not put posttax money into this category; otherwise, pretax and posttax amounts are mixed, and you cannot distinguish between them. The only appropriate category for posttax amounts—both credits and interest—is posttax credits.

Comment — Enter any comments to explain the nature of the adjustment transaction.

When you save a transaction, the adjustment is not yet applied to the account. This is done in periodic processing. During periodic processing, both payroll activity and manual adjustments are applied to the withdrawal account. This also automatically adjusts the master contribution account.

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Depending on whether you specify that you restore service on partial payment, on full payment, or on a prorated basis, this may also generate a service adjustment.

Administering Service Purchase

In certain situations, employees might purchase service for times when they were not contributing to a plan—for example, military leaves or periods where they were working but were not eligible to participate in the plan. In such cases, employees pay the contributions and interest that the plan would have collected if they had been working and contributing during that time.

Understanding Service Purchase Accounts

If your plan allows employees to purchase service, then set up the system to include one or more service purchase accounts. A service purchase account is a subaccount of a plan's main contributory account. The service purchase account is also associated with the plan service accrual.

To administer a service purchase transaction for an employee, you first establish the amount of purchasable service and the cost of that service. Using this information, you establish a negative dollar balance in a service purchase account. The amount corresponds to the cost of the purchasable service and a positive purchasable service amount in the same account.

Employees can make purchase payments through payroll deductions, in which case periodic processing applies the deductions to the consolidated contribution amounts and from there into the service purchase account. An employee can also make a direct payment by writing a check to the plan. In this case, you record the repayment using an online transaction (an adjustment request), which periodic processing subsequently applies to the purchase account.

If an employee makes the payments over time, you can apply interest to the purchase price by using periodic processing. In any period when no payment is made, periodic processing applies interest to the purchase account. In any period when a payment is made, the system does not apply any interest to the purchase account.

As payments are credited to a purchase account, the negative balance eventually reaches zero. Depending on the account rules, the purchasable service is reduced to zero, with corresponding adjustments to the plan service—on the first payment, after complete repayment, or on a prorated basis.

Establishing Purchasable Service

When an employee decides to purchase service, decide how much the employee currently owes in contributions and back interest and enter this as a negative adjustment to the purchase account.

You can make subsequent adjustments if you discover any errors in your original calculation. You do this on the Emp Acct Adj page.

Note. This section discusses how to use the Empl Acct Adj page to establish purchasable service. The complete documentation on the Empl Acct Adj page is in "Adjusting Contributory Accounts."

See Chapter 51, "Maintaining Employee Pension Data," Adjusting Contributory Accounts, page 499.

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Establishing the Amount of Service

You can establish the amount of purchasable service that corresponds to a purchase amount. You do this Emp Acct Adj page.

Note. Use the Emp Acct Adj page, not the Service Adj page, to establish a purchasable service amount. The purchasable service amount is tracked in the service purchase accounts. As an employee makes payments, the system generates service adjustments to credit the service.

Calculate Purchasable Service The system includes an online calculator to help you determine how much service an employee can purchase. After you select Purchasable Service Adjustment, the Calculate Purchasable Service button appears. You can click this button to bring up a dialog box, where you can enter the date range for which the employee can purchase service.

Calculate In the service calculator, enter the dates for the service period, then click Calculate to have the system perform the calculation and display the result. The system calculates the service purchase period using the method that you specify on the Plan Aliases page.

See Also

Chapter 42, "Creating the Plan Implementation and Plan Aliases," Adding Plan Alias Parameters, page 369

Chapter 56, "Administering Contributory Plans," Defining Plan Aliases, page 618

Crediting Service Purchase Payments

In order to purchase service under a service purchase agreement, employees have to pay the established amount.

Note. The calculation page enables you to run calculations that give an employee full credit for all purchasable service, even if the employee has not made all the required payments. You control this option by selecting *Grant Full Service Credit* on the Define Calculation - Main Page. Use this flag only for estimates—not for final calculations.

If a payment takes place over time, the plan normally charges interest. The purchase account definition, like all employee account definitions, includes interest rules. Periodic processing of this account applies the appropriate interest and increases the amount due. Interest continues to accrue until the employee repays all the money and the withdrawal account balance is zero. You can review current balances on the Employee Account History page.

In any period when no repayment is made, periodic processing continues to apply interest to the purchase account. In any period when a repayment is made, the system does not apply interest to the purchase account.

Employees can make payments directly to the plan or through payroll deductions. For direct payments, you enter the amounts into the Emp Acct Adj page. For payroll deductions, you set up an appropriate general deduction in Payroll for North America. This feeds into the purchase account through the consolidated deductions definition you enter into the original definition of the purchase account.

Note. When Payroll for North America processes the general deduction, it does not check the remaining balance in the purchase account. Therefore, to ensure that you stop taking deductions after the entire balance is paid, you may want to set up the deduction with a target amount. As interest accrues on the account, you may have to increase that target.

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Recording a Payment as a Manual Adjustment to the Withdrawal Account

When an employee pays money directly, use the Empl Acct Adj page to record the payment as a manual adjustment to the withdrawal account.

Note. This section discusses how to use the Empl Acct Adj page to make manual adjustments to the withdrawal account. The complete documentation on the Empl Acct Adj page is in "Adjusting Contributory Accounts."

See Chapter 51, "Maintaining Employee Pension Data," Adjusting Contributory Accounts, page 499.

Benefit Plan and **Function Result Name**
Enter the plan and the function result name for the service purchase account used to track the purchase payments.

Transaction Date
Enter the transaction date for the repayment.

Sequence number
If there are multiple adjustments to the account in a single day, enter a number to identify the adjustment.

Status
Displays *Pending* until period processing applies the adjustment to the employee's permanent cash balance account history. Then, the system updates the status to *Applied.*

Credit Adjustment and **Interest Adjustment**
These are the amounts to be applied to the credit and interest amounts in the employee account. To get the total adjustment amount, add these values.

Tax Type
The tax type indicates the employee account type to which the system should apply the credit and interest adjustments: posttax or pretax.

Normally, the full amount of an employee's repayment check is applied to posttax credits. However, there are cases when it is applied to pretax credits—for example, if the repayment is a rollover from a pretax account (such as certain types of IRAs). Some repayments that are input as payroll deductions are also pretax credits; in this case, the consolidation process automatically determines the appropriate type.

Note. With normal employee account processing, the posttax interest credits indicate the interest on the posttax contributions. However, the interest itself is pretax. Do not put posttax money into this category; otherwise, pretax and posttax amounts are mixed, and you cannot distinguish between them. The only appropriate category for posttax amounts—both credits and interest—is posttax credits.

Comment
Enter any comments to explain the nature of the adjustment transaction.

When you save a transaction, the adjustment is not yet applied to the account. This is done in periodic processing. During periodic processing, both payroll activity and manual adjustments are applied to the withdrawal account. This also automatically adjusts the master contribution account.

Depending on whether you specify that you restore service on partial payment, on full payment, or on a prorated basis, this may also generate a service adjustment.

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Managing Multiple Withdrawal or Purchase Accounts

Service buyback and service purchase arrangements associate a specific dollar amount with a specific amount of service. Therefore, you probably do not want to combine these amounts. For example, if an employee is purchasing service for two separate periods of time, you need to track the payments separately. The same rule applies for employees who get terminated and rehired multiple times and withdraw contributions each time.

For example, Charlie works for a company that restores service on a prorated basis. For the sake of simplicity, this example does not incorporate interest on the withdrawals.

Date	Event	Account Balances
January 1, 2000	Charlie terminates and withdraws 6,000 USD of contributions, representing three years of service.	Withdrawal Account 1: -6,000 USD for six years.
January 1, 2001	Charlie is rehired and agrees to start repaying the account.	Withdrawal Account 1: -6,000 USD for six years.
January 1, 2003	Charlie terminates. Over the last two years, he's paid back 3,000 USD of his previous contributions. Because he's been making monthly payments, there's been no additional service charge. In the meantime, he's also contributed another 2,000 USD for the two years he's worked since he was rehired. Charlie withdraws this money, too.	Withdrawal Account 1: -3,000 USD for three years. Withdrawal Account 2; -5,000 USD (the 3,000 USD previously repaid plus the 2,000 USD additional contributions) for five years (the three years previously restored plus the two additional years worked). Total: -8,000 USD for eight years.

By keeping separate accounts for the separate withdrawals, you keep a clear audit trail associating the correct monetary amounts with the correct amounts of service.

Note. If a plan restores service on any payment or on full payment, you may have to make manual adjustments to the monetary value of the employee account in order to keep the purchasable service amounts associated with the correct repayment amounts.

Ensuring That Retirees Recover Their Contributions

You need to keep track of an employee's final contributory balances and compare them to their benefits when they retiree. Employees are entitled to full recovery of their contributions. Any posttax contributions are recovered as nontaxable benefits.

The first time you pay a retiree, the system looks up the final employee account balances for the plan in order to track payments against these balances. The system identifies the appropriate employee account using information you enter on the Plan Aliases page.

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Defining Plan Aliases

Use the Plan Aliases page to identity the appropriate employee accounts and track final employee contributory balances.

Note. You identify the account in the Employee Contribution Account file.

The pension payment process copies the account information to a payment summary record. The system also uses this record to keep a running balance of the total benefits paid and the nontaxable benefit paid. You can view the final account balances and the running payment totals on the Payee Summary page.

Every time you make payments, the system compares an employee's final posttax contributions to the total nontaxable benefit paid out by the plan. After a retiree has recovered all the posttax contributions as nontaxable income, the system no longer treats any portion of the retiree's benefit payments as nontaxable.

See Also

Chapter 54, "Making Pension Payments," Tracking the Payee Summary, page 590

Chapter 42, "Creating the Plan Implementation and Plan Aliases," Adding Miscellaneous Plan Specification Information, page 369

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CHAPTER 57

Administering QDROs

This chapter provides an overview of QDROs and discusses how to administer the QDRO process.

Understanding QDROs

When a Domestic Relations Order (DRO) from the court instructs you to pay a specified portion of an employee's benefit to an alternate payee, there are a number of things that you have to track. You also must determine whether the order is qualified. If it is, the DRO becomes a Qualified Domestic Relations Order (QDRO). You record information about the alternate payee and the benefit owed to that payee, as well.

There are two aspects to the system's QDRO capabilities:

- On the administrative side, record the DRO and determine if it is qualified. If it is, add the QDRO alternate payees to the system and enter information about the QDRO. You eventually calculate benefits due to the alternate payee and pay them through the same Trustee Extract process that you use to pay retirees.
- On the implementation side, set up the plan rules so that the QDRO calculations work correctly.

Administering the QDRO Process

This section lists the pages used to administer the QDRO process and discusses how to:

- Record DROs.
- Create alternate payee records.
- Start the QDRO process.
- Calculate an alternate payee's benefit.
- Pay QDRO alternate payees.

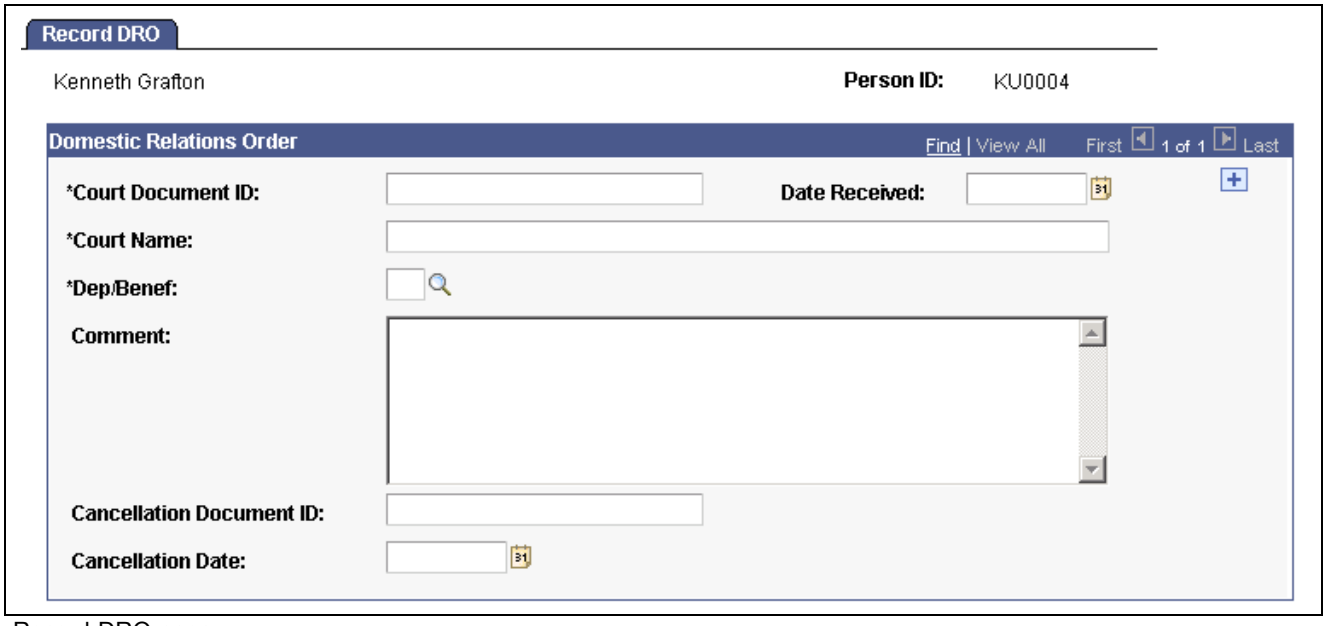
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Pages Used to Administer the QDRO Process

Page Name	Object Name	Navigation	Usage
Record DRO	PA_DRO_SPEC	Pension, Domestic Relations Order, Create DRO, Record DRO	• Record receipt of a DRO. • Record DRO activities up to the point when the DRO is determined to be qualified.
QDRO Process	PA_QDRO_SPEC	Pension, Domestic Relations Order, Administer QDRO, QDRO Process	Record the amount awarded to the alternate payee. **Note.** This amount is crucial because it is the basis for the QDRO payments.

Recording DROs

Access the Record DRO page.



Record DRO page

When you first learn of an impending QDRO, the court order is not yet qualified, so you are actually dealing with a DRO, not a QDRO. During the process of qualifying the DRO, you will probably be in regular communication with the attorneys for the parties.

You can create a DRO only for an employee.

Court Document ID Enter the identification (ID) number of the DRO.

Date Received Enter the date when you first receive the court documents.

Court Name Enter the name of the court issuing the DRO.

Dep/Benef (dependent or beneficiary) Select the EmplID of the former dependent or beneficiary on whose behalf the DRO has been issued. This individual (typically a former spouse) must be recorded in the PeopleSoft system as a dependent or beneficiary.

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Comment	Enter any comments. Record ongoing activity by appending additional comments (appropriately dated) in this field.
Cancellation Document ID and **Cancellation Date**	If it is determined that the DRO is not qualified, enter the cancellation document ID number and cancellation date.

See Also

PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Base Benefits, "Entering Dependent and Beneficiary Information"

Creating Alternate Payee Records

If it is determined that a DRO is qualified, you track the QDRO information under the IDs of both the employee who earned the benefit and the QDRO alternate payee. This means that the alternate payee needs a personal data record.

Eventually, you also need to create a job record for the QDRO alternate payee so that you can perform QDRO calculations and make QDRO payments.

Note. You must establish an EmplID for the alternate payee before you can record any QDRO information.

If the alternate payee is also an employee of the company, you use the Create Payee page to set up a payee record using his current EmplID as the Payee ID. Someone who is an alternate payee for two employees requires two separate payee records, one for each QDRO. Each of those payee records uses the same EmplID

For example, Jane, who is an employee of your organization, gets divorced from her husband Jack. A payee record is created for Jack. Jack becomes a QDRO alternate payee, with EmplID 902. Jack then marries another employee, Daisy, and they also get a divorce. A second payee record is created for Jack using the alternate payee EmplID 902, and this payee record reflects his association with Daisy.

An alternate payee who will receive benefits from multiple plans (based on benefits earned by one employee) will use the same EmplID for both plans. However, you have to create separate job records for the separate plans.

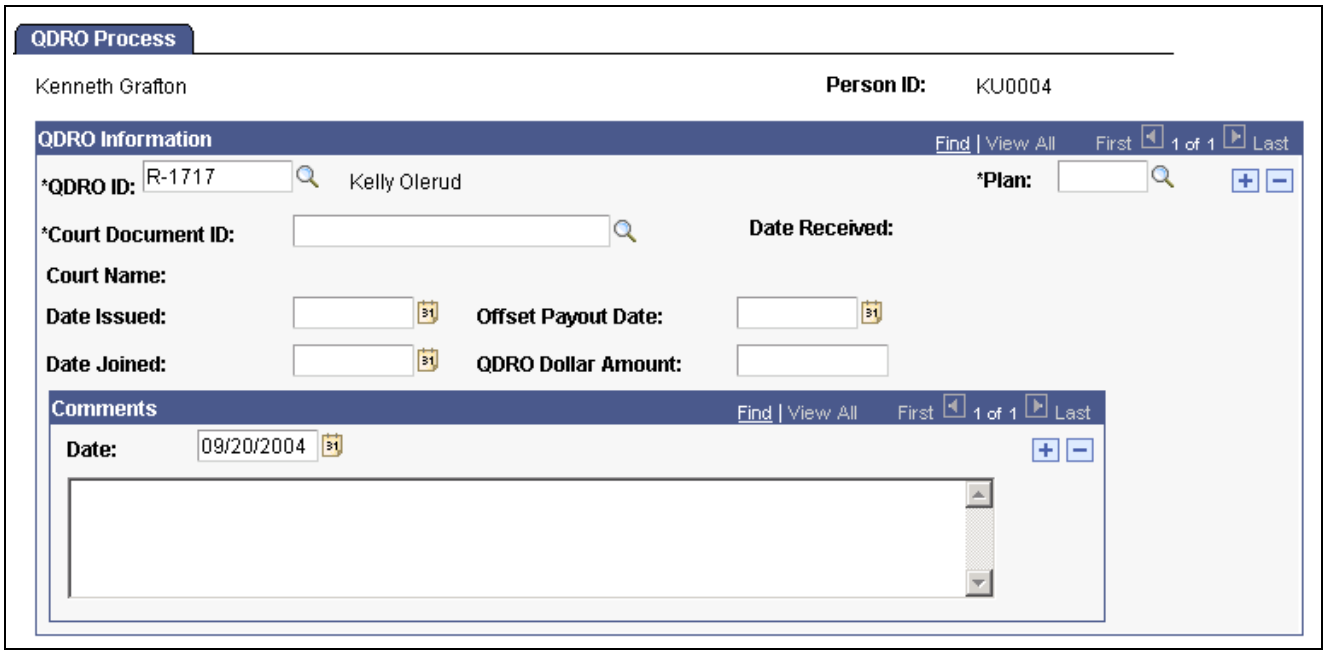
See Also

Chapter 52, "Establishing Pension Payees," page 519

Starting the QDRO Process

Access the QDRO Process page.

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QDRO Process page

Before you can enter information on this page, you must use the Record DRO page to input the DRO. You must also set up the QDRO alternate payee's EmplID.

Note. You cannot access the QDRO pages until you set up the QDRO alternate payee's EmplID.

QDRO ID Select the alternate payee's employee ID.

Plan Select the employee's pension plan.

Court Document ID Enter the court document ID that you entered on the DRO page.

When you enter the court document ID for the DRO information, the system automatically transfers the following fields from the DRO page: Date Received, Court Name, Comments, and Date (comment date).

Date Issued Enter the date the QDRO was issued.

Date Joined Enter the date of the court order itself.

Offset Payout Date Enter the earliest date at which the QDRO alternate payee can begin receiving the benefit.

Note. If the QDRO alternate payee begins receiving payments earlier than the participant's normal retirement date, the QDRO dollar amount entered on this page (which is the amount as of the participant's normal retirement date) may be reduced.

QDRO Dollar Amount Enter the amount that the QDRO alternate payee will receive. This amount must be expressed in the same terms as the normal plan retirement date with a normal form of payment.

For example, John's benefit of 200 USD is his benefit as of the date Caroline reaches normal retirement age, assuming a single life annuity and monthly payments.

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If the HPLAN normal benefit amount is expressed yearly, enter the yearly benefit, 6,840 USD.

Note. The implied payment form, frequency, and commencement date are important because this is the amount which is taken from the employee's final benefit. If you enter a monthly amount here, and the benefit formula subtracts this amount from Jane's yearly benefit, the offset calculation would be incorrect.

Calculating an Alternate Payee's Benefit

After setting up an EmplID for a QDRO alternate payee, you can run calculations.

Your plan rules should include parameters that check the payee type and skip functions irrelevant to QDRO alternate payees when necessary. For example, you do not need to calculate service, average earnings, or other pension components that are only relevant to employees. Nor is it necessary to calculate the unreduced benefit amount because that is stored in the database and shown on the QDRO Process page. Typically, you only run the early and late retirement factors, the reduced benefit (QDRO amount times early retirement factors), and the optional forms of payment.

Warning! QDRO calculations only work as described if your company sets up QDRO-specific calculation rules so that irrelevant processes are skipped and relevant processes are calculated correctly for QDRO alternate payees. Early and late retirement factors, in particular, need careful setup if the plan rules require that early retirement reductions be calculated using the original employee's age instead of the alternate payee's age.

Paying QDRO Alternate Payees

After you enter an alternate payee into Pension Administration and run a calculation, you pay the alternate payee just as you would pay a retiree.

The only difference is that you do not have to set up a retiree "job" separate from the original working job because there is no working job to begin with. If an alternate payee receives benefits from multiple plans, however, you need to set up a separate job for each plan.

See Also

Chapter 53, "Preparing Pension Payments," page 533

Chapter 54, "Making Pension Payments," page 555

Chapter 52, "Establishing Pension Payees," Entering Payee Records, page 527

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CHAPTER 58

Recording Communications

This chapter provides an overview of pension communications and discusses how to record pension communications.

Understanding Pension Communications

As a retiree, beneficiary, or QDRO alternate payee prepares to receive pension payments, you need to gather certain information, such as verification documents for birth dates and marital status, spousal waivers, and payment elections. As you work with a payee to produce a final calculation, you need to keep records of your interactions.

Pension Administration provides two methods for tracking pension-related communications:

- Activity lists for administrative processes that require you to perform a standard set of tasks.

  For example, you might set up a retirement activity list that includes the tasks (or "activities") you must perform when a person retires. When Onslow retires, you create a checklist for him by copying the standard retirement checklist. You use Onslow's checklist to keep track of the activities required to process his retirement. As you complete each activity, you can check it off, make comments, and add the date.

  You can keep several activity lists for a single employee. For example, when Onslow dies, you can create a checklist to manage his death-related activities.

- General comments pages for free-form comments.

  For example, you might add a comment about a conversation you have with Edith about the amount of her pension.

Recording Pension Communications

This section lists the pages used to record pension communications and discusses how to:

- Set up activity lists
- Enter general comments

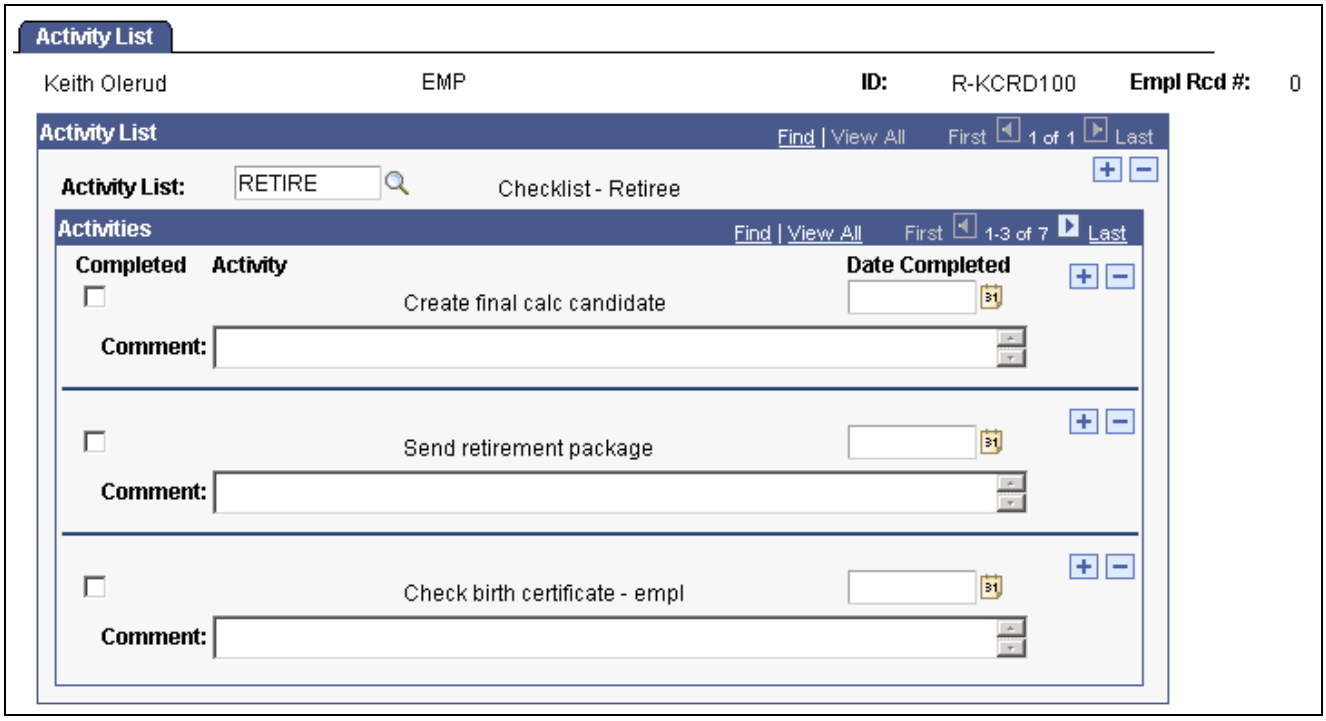
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Pages Used to Record Pension Communications

Page Name	Object Name	Navigation	Usage
Activity List	PA_RT_EMP_LIST	Pension, Pension Information, Assign Activity List, Activity List	Set up a checklist for an employee's pension activity.
General Comment	PA_RT_EMP_CMNT	Pension, Pension Information, Capture Comments, General Comment	Record general pension-related comments.

Setting Up Activity Lists

Access the Activity List page.



Activity List page

ID and **Rcd#**

You maintain an activity list using the ID *and* the record number (job record). This means that if, for example, a retiree has two retiree jobs, one for a salaried plan and one for a supplemental executive plan, you can establish activity lists under both. This enables you to track activities that must be performed for each plan—for example, recording the optional form selection and tax withholding elections.

Activity List

Select a list from the standard lists that your organization uses.

Note. You use the Define Activity Lists (PA_RT_ACTIVITY) - Activity Lists page to create or modify an activity list.

Activity

An activity list includes a list of activities. When you select an activity list, all the activities that it includes appear.

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Completed Select this check box for an activity when you complete the activity.

Date Completed When you complete an activity, enter the completion date.

Comment Use the Comment text box to record comments about an activity.

Your company may have separate activity list for tasks that are performed only once, regardless of the number of plans in which a payee participates. These are activities such as verifying birth dates and marriages. This way, you do not have to check off those activities for each plan. If your company uses such a list, always set it up for a payee under a default job—for example, the active employment record (Rcd#). This makes it easy to find, regardless of the number of plans from which a payee receives benefits.

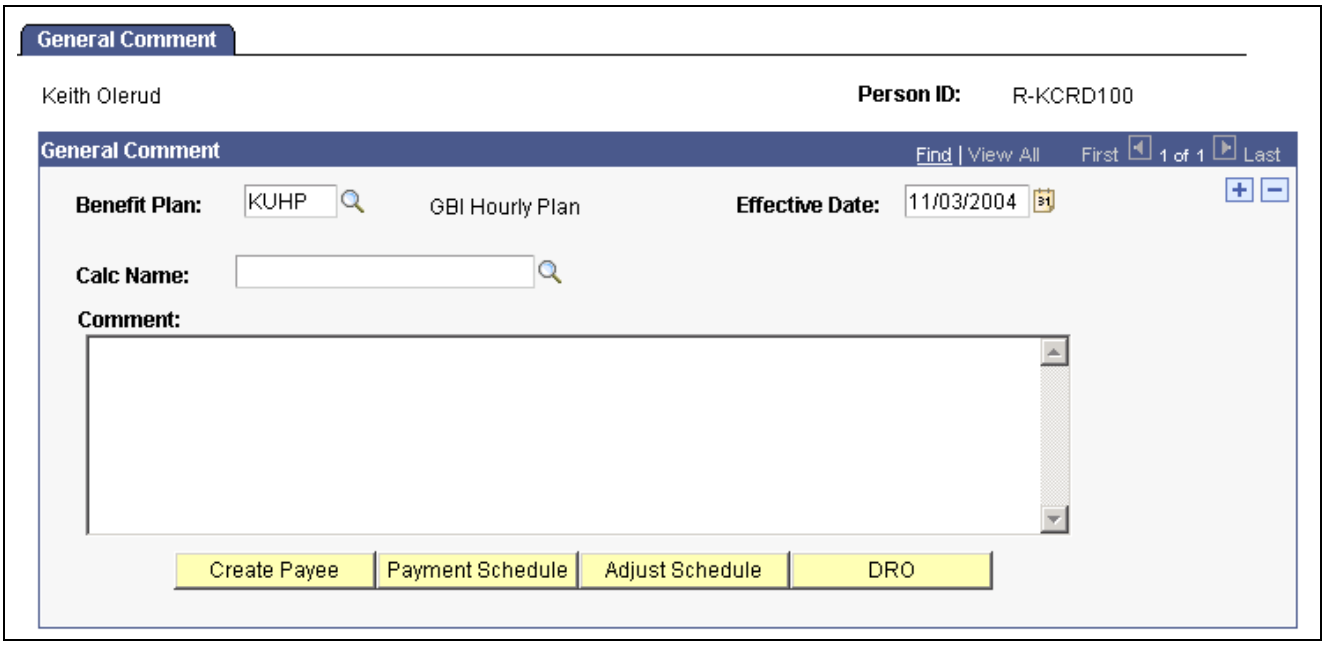
See Also

Chapter 59, "Maintaining Public Tables," page 629

Chapter 7, "Establishing Plan Administration Information," Creating Activity Lists, page 44

Entering General Comments

Access the General Comment page.



General Comment page

Benefit Plan and **Calc Name** These fields enable you to prompt for the names of your plans and the calculations you have run. You do not have to enter values in these fields if a comment is not related to a specific plan or calculation.

Create Payee Click this button to transfer to the Create Payee page to establish payee records for retirees, beneficiaries, and QDRO alternate payees.

Payment Schedule Click this button to transfer to the Payee Payment Schedule page to schedule recurring pension payments.

Adjust Schedule Click this button to transfer to the Payee Adjustment Schedule page to schedule one-time pension payments.

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DRO Click this button to transfer to the Record DRO page to track receipt of domestic relations orders (DROs) from the court.

Unlike activity lists, general comments are not associated with job numbers. This enables you to keep one uninterrupted log of your interactions with payees.

See Also

Chapter 52, “Establishing Pension Payees,” page 519

Chapter 53, “Preparing Pension Payments,” Defining Payee Adjustment Schedules, page 552

Chapter 57, “Administering QDROs,” Recording DROs, page 620

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CHAPTER 59

Maintaining Public Tables

This chapter provides overviews of public tables maintenance and effective dates and sequence numbers, and discusses how to:

- Maintain Internal Revenue Code limit tables.
- Maintain interest rate tables.
- Maintain social security tables.

Understanding Public Tables Maintenance

You set up calculation rules when you implement Pension Administration. These rules sometimes make use of certain public tables published by U.S. governmental agencies. These include tables that include information about Internal Revenue Code limits on pension benefits, interest rates, and social security.

PeopleSoft delivers these tables with data that is current when the software is released. Pension Administration also provides pages for where you can view this information, and update it when necessary.

Important! Be sure to set up the appropriate security to prevent unauthorized modification of the data in these tables.

Understanding Effective Dates and Sequence Numbers

This section provides overviews of effective dates and sequence numbers.

Effective Dates

Most of the public table pages contain the Effective Date field, and also yearly rates. For most of these tables, you never add another effective date; you simply add a new value with the same effective date.

For example, the 30-Year Treasury Bond table has the effective date January 1, 1900. Under that effective date, there are values for every month since July 1, 1994. As new values become available, simply add them under the existing effective date.

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In certain cases, however, the information for a particular year does change. For example, each year the National Average Wage table includes estimates for the most recent two years. In 1998, for example, the table did not contain data for 1998. It contained estimates for 1997 and 1996, and there was final data for all prior years. The 1999 table replaced the estimate for 1996 with a final amount. Overwriting the estimate would make historical calculations invalid because a calculation for an employee who terminated in 1998 uses the rules as of 1998 and cannot use information that was not available then. Therefore, it is important to have a new effective date to preserve the historical data so that the system can use the appropriate value, depending on an employee's termination date.

When you do create a new effective date, be sure to include values for the entire date range in the table. For example, a calculation based on a 1999 retirement would only be able to access the national average wage for the years shown in the 1999 table. If that table does not have data from earlier years, the calculation is compromised.

Note. The National Average Wage table is the only one of the delivered tables that regularly requires new effective dates. Only very unusual events would require new effective dates in the other tables.

Sequence Numbers

Most of the public table pages contain the Sequence field.

When you implement Pension Administration, you use the Table Lookup utility to enable certain functions to look up information on tables. In order for you to reference a table with the Table Lookup utility, the table must conform to certain requirements. One requirement is that it contain a sequence number field, which the Table Lookup utility uses to order the rows.

If you use the tables that PeopleSoft maintains, you can ignore this field. If you maintain the data yourself, be sure to sequence the data appropriately.

See Also

Chapter 30, "Creating Table Lookup Aliases," Creating a Physical Table, page 259

Maintaining Internal Revenue Code Limit Tables

This section provides an overview of Internal Revenue Code limit tables and lists the pages used to maintain Internal Revenue Code limit tables.

Understanding Internal Revenue Code Limit Tables

Section 415 of the Internal Revenue Code limits a person's total pension benefit from all qualified plans. Section 401(a)(17) of the code limits the amount of annual earnings that can be used in determining a pension benefit. Pension Administration delivers the tables with the limits published by the Internal Revenue Service (IRS).

Because PeopleSoft maintains these tables, it is unlikely that you will need to edit the existing values. However, you can update the tables if you want.

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Section 401(a)(17) Limits

Two tables are used for Section 401(a)(17) limits: TRA ‘86 and OBRA ‘93. This is necessary because a transition rule enabled bargained plans to use the previous limits that were in effect when OBRA (the federal Omnibus Budget Reconciliation Act) reduced the limit for non-bargained plans to 150,000 USD. As of 1997, 401(a)(17) limits are the same for bargained and non-bargained plans.

Section 415 Limits

Section 415(b) of the Internal Revenue Code specifies a monetary limit on an employee’s total pension benefit from all qualified defined benefit plans. The limit was originally 90,000 USD in 1987; it has been adjusted annually to accommodate the increase in the cost of living.

Prior to its repeal, section 415(e) of the Internal Revenue Code limited the combined benefits from all defined benefit and defined contribution plans. If you sponsor a defined contribution plan, this historical limit may still apply to employees who participate in both plans. To determine whether this is so, you must compute an employee’s defined contribution fraction. One of the components needed to determine this fraction is the IRS’s published limits for defined contribution plans. Although Pension Administration does not calculate the defined contribution fraction, PeopleSoft provides a table of defined contribution limits for your information.

Note. Section 415(e) is no longer in effect as of January 1, 2000.

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Pages Used to Maintain Internal Revenue Code Limit Tables

Page Name	Object Name	Navigation	Usage
TRA'86 Limits	PA_TL_TRA86_TBL	• Set Up HRMS, Product Related, Pension, Calculation Tables, 401(a)(17) Limits, TRA'86 Limits • Pension, Define Calculation Tables, 401(a)(17) Limits, TRA'86 Limits	Update the Section 401(a)(17) limits that are based on TRA '86.
OBRA'93 Limits	PA_TL_OBRA93_TB	• Set Up HRMS, Product Related, Pension, Calculation Tables, 401(a)(17) Limits, OBRA'93 Limits • Pension, Define Calculation Tables, 401(a)(17) Limits, OBRA'93 Limits	Update the Section 401(a)(17) limits that are based on OBRA '93.
415(b) Max Dollar Limits	PA_TL_415_LIMIT	• Set Up HRMS, Product Related, Pension, Calculation Tables, 415(e) Limit, 415(b) Max Dollar Limits • Pension, Define Calculation Tables, 415(e) Limit, 415(b) Max Dollar Limits	Maintain the Section 415(b) limits.
415(c) DC Limits	PA_TL_415_LIMDC	• Set Up HRMS, Product Related, Pension, Calculation Tables, 415(e) Limit, 415(c) DC Limits • Pension, Define Calculation Tables, 415(e) Limit, 415(c) DC Limits	Maintain the Section 415(c) limits.

See Also

Chapter 38, "Applying Section 401(a)(17) Earnings Limits," page 329

Chapter 28, "Applying Section 415 Limits," page 235

Maintaining Interest Rate Tables

This section provides an overview of interest rate tables, lists the pages used to maintain interest rates, and discusses how to:

- Look up PBGC (Pension Benefit Guaranty Corporation) interest rates.

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- View 30-year treasury bond rates.

Understanding Interest Rate Tables

Several components of pension calculations use interest rates. When you need an interest rate, you have the option to find it using a table lookup.

You can use the Interest Method pages to create interest rules that you can reference in the cash balance accounts and employee accounts functions. On the Interest Method 1 of 2 page, one of the rate source options is interest method.

You also use an interest rate lookup when you set up an employee-paid benefit definition. This function uses the interest rate to project the value of an employee account and determine what portion of the employee's total benefit is attributable to employee contributions.

Actuarial assumption sets can also use interest rate lookups to determine the interest basis for actuarial calculations.

Pension Administration provides three interest rate tables that you can use with the Table Lookup utility: PBGC rates, published by the Pension Benefit Guaranty Corporation, 30-year treasury bond rates, and federal midterm rates.

Although PeopleSoft does not provide you with table lookup aliases for any of the delivered interest rate tables, table lookup aliases can be used with all three tables. You need to create table lookup aliases for the interest rate tables that you actually use.

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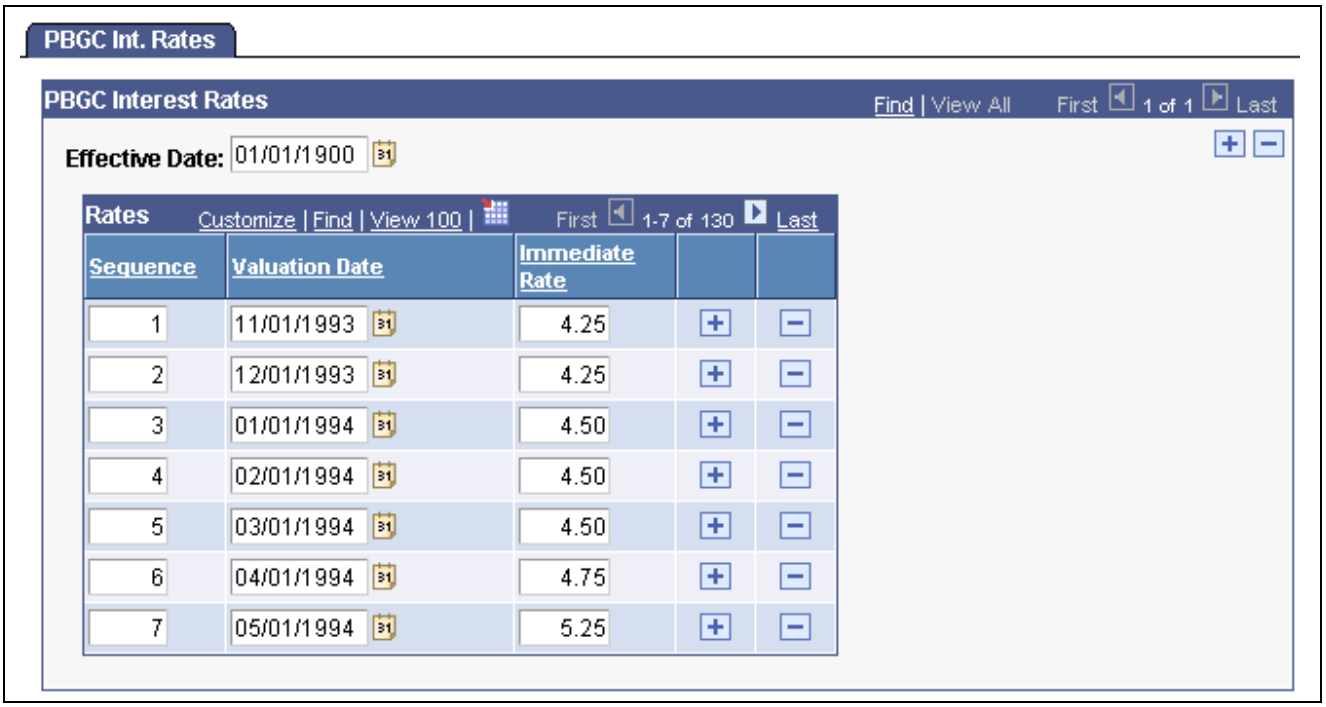
Pages Used to Maintain Interest Rates

Page Name	Object Name	Navigation	Usage
PBGC Interest Rates	PA_PBGC_RATES	• Set Up HRMS, Product Related, Pension, Calculation Tables, PBGC Rates, PBGC Interest Rates • Pension, Define Calculation Tables, PBGC Rates, PBGC Interest Rates	View PBGC interest rates.
30-Year T-Bond Rates	PA_TL_30YR_TBILL	• Set Up HRMS, Product Related, Pension, Calculation Tables, 30 Year T-Bond Rates, 30-Year T-Bond Rates • Pension, Define Calculation Tables, 30 Year T-Bond Rates, 30-Year T-Bond Rates	View 30-year T-bond rates.
Federal Midterm Rates	PA_TL_120AFR	• Set Up HRMS, Product Related, Pension, Calculation Tables, Federal Midterm Rates • Pension, Define Calculation Tables, Federal Midterm Rates	View Federal midterm rates.

Looking Up PBGC Interest Rates

Access the PBGC Int. Rates page.

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PBGC Int. Rates page

Each row contains the PBGC immediate rate for a particular valuation date. The immediate rate is the basis for the PBGC grading structure, which uses a set formula to derive three additional rates from the immediate rate. An additional rate is applied over the period of time between the valuation date and the deferral date, the date when payments actually commence.

When you set up the plan rules, you select a PBGC grading option on two pages: Actuarial Assumptions (ACTUARIAL_FACTORS) - Interest Basis and Components (PA_EEBENEFIT_P1) - Employee Pd Benefit 2 of 2. Although you can apply the grading to any rate, you normally use published PBGC rates any time that you grade the rates.

See Also

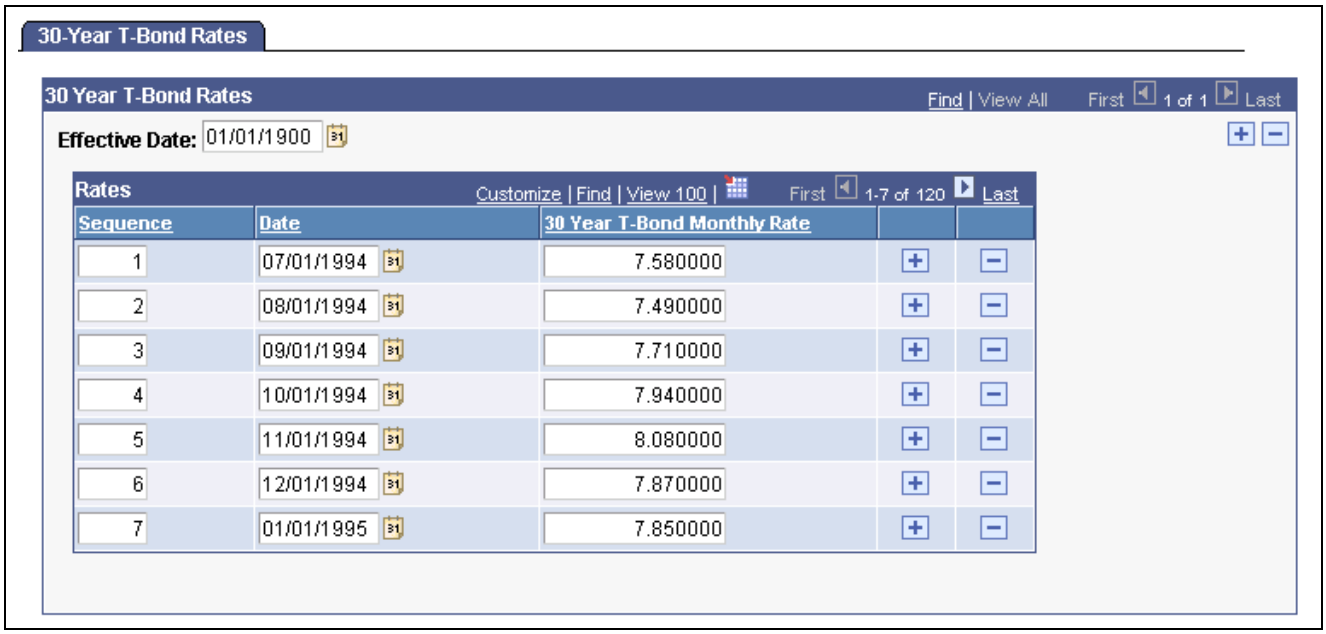
Chapter 36, “Using Actuarial Assumptions,” Establishing Actuarial Assumption Sets, page 316

Chapter 26, “Defining Employee-Paid Benefits,” page 209

Viewing 30-Year Treasury Bond Rates

Access the 30-Year T-Bond Rates page.

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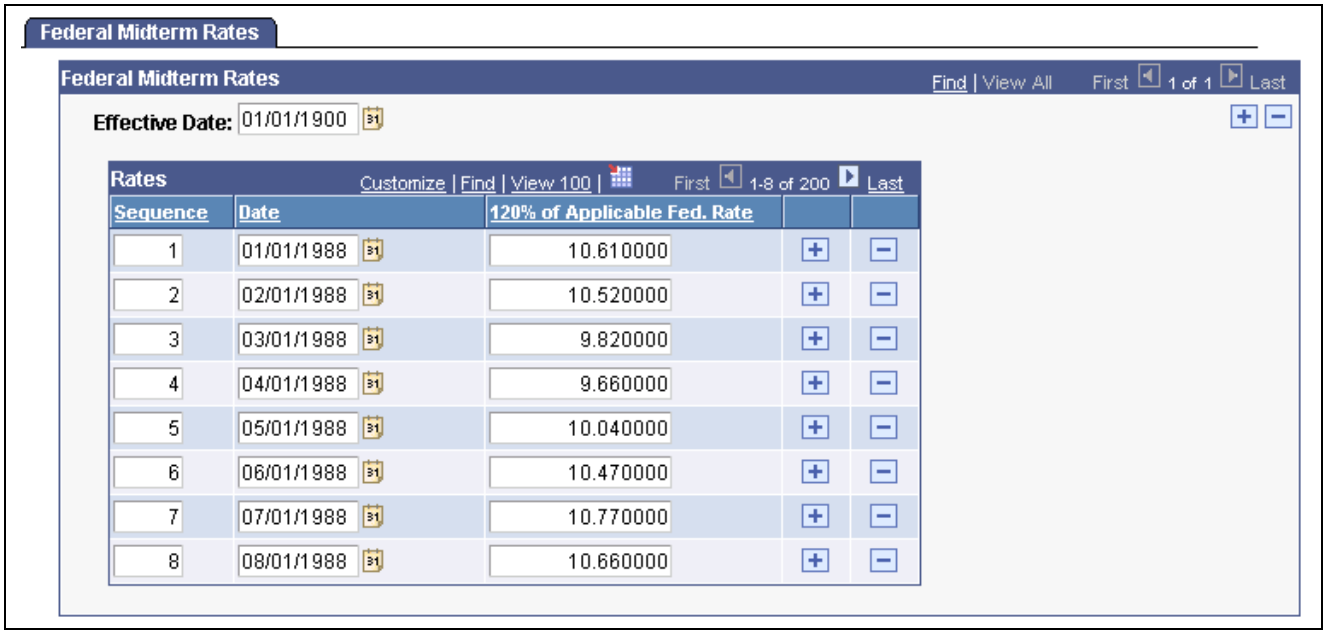
30-Year T-Bond Rates page

Note. The Internal Revenue Service publishes 30-year treasury bond rates. These are the average yields on 30-year treasury constant maturities for a given month. These rates are used to determine the present lump sum value of a participant's benefit under a qualified defined benefit plan.

Each effective-dated row contains a date and the 30-year Treasury bond monthly rate that was published on that date.

Viewing Federal Midterm Rates

Access the Federal Midterm Rates page.



Federal Midterm Rates page

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Defined benefit plans that require employee contributions must credit interest to those contributions using the applicable federal rates (AFR), commonly called the federal midterm rates. The rate used is 120 percent of the annual AFR for the month in which the plan year commences.

Each effective-dated row contains a date and the rate that is 120 percent of the applicable federal rate for that date. This is an annualized rate.

Maintaining Social Security Tables

This section provides an overview of social security tables maintenance, lists the pages used to maintain social security tables, and discusses how to:

- View national average wages.
- View consumer price index data.
- View delayed retirement credits.
- View disability drop years.

Understanding Social Security Tables Maintenance

Social security calculations use a number of tables published annually by the Social Security Administration. PeopleSoft delivers and maintains five social security tables.

The pages in this section display the information in these tables. Because PeopleSoft maintains this information, it is unlikely that you will need to edit it. However, if you choose, you can enter new values as they become available.

See Also

Chapter 21, “Defining Social Security,” page 169

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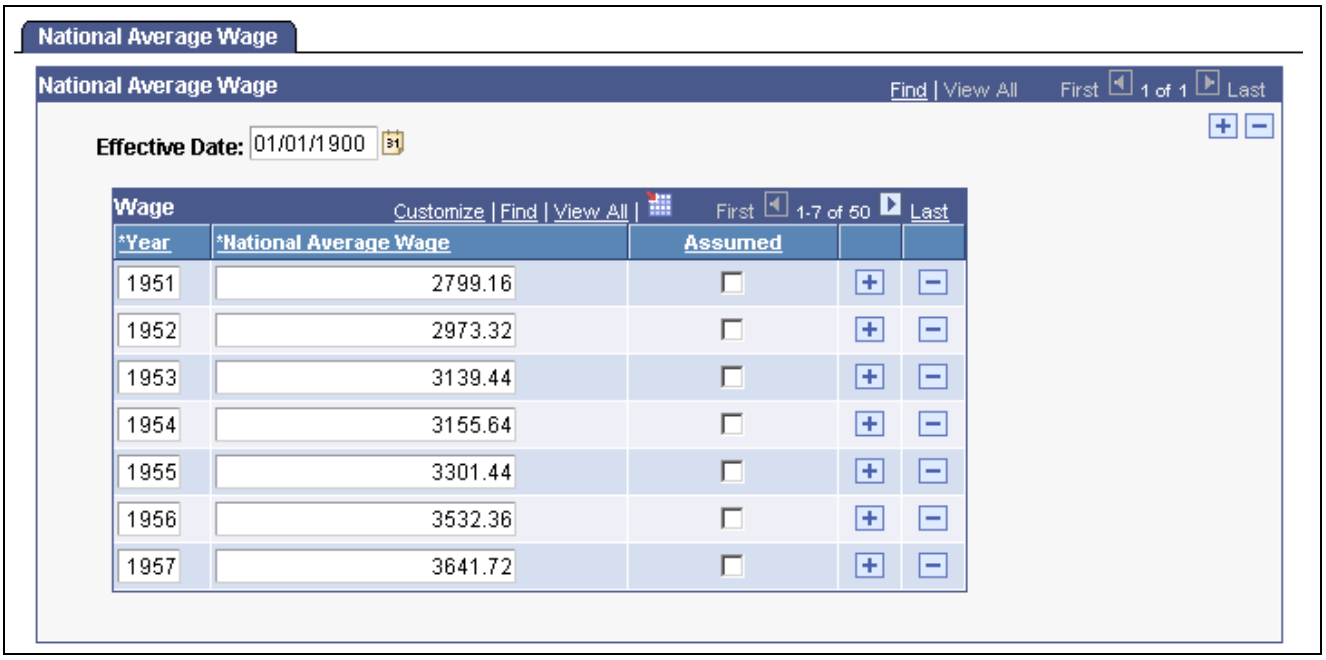
Pages Used to Maintain Social Security Tables

Page Name	Object Name	Navigation	Usage
Max Taxable Wage Base	PA_TL_MAX_WAGE	• Set Up HRMS, Product Related, Pension, Calculation Tables, Max Taxable Wage Base • Pension, Define Calculation Tables, Max Taxable Wage Base	View the maximum taxable wage base, which is the cap on the wages that are considered for social security purposes.
National Average Wage	PA_TL_NATL_AV_WAGE	• Set Up HRMS, Product Related, Pension, Calculation Tables, National Average Wage • Pension, Define Calculation Tables, National Average Wage	View the national average wage statistics published by the U.S. Department of Labor.
Consumer Price Index (CPI-W)	PA_TL_CPI_INCR	• Set Up HRMS, Product Related, Pension, Calculation Tables, Consumer Price Index (CPI-W) • Pension, Define Calculation Tables, Consumer Price Index (CPI-W)	View the consumer price index increases by year.
Delayed Retirement Credit	PA_DLAY_CRD_PCT	• Set Up HRMS, Product Related, Pension, Calculation Tables, Delayed Retirement Credit • Pension, Define Calculation Tables, Delayed Retirement Credit	View the allowable delayed retirement increase percentage for each year.
Disability Drop Years	PA_SS_DROP_TBL	• Set Up HRMS, Product Related, Pension, Calculation Tables, Disability Drop Years • Pension, Define Calculation Tables, Disability Drop Years	View the number of years to drop, based on age at the time of disability. **Note.** Calculating social security disability benefits involves dropping a certain number of years from the employee's wage history before determining the average wage.

Viewing National Average Wages

Access the National Average Wage page.

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National Average Wage page

Each effective-dated row consists of a year and the associated national average wage.

When the Department of Labor publishes these values, final information for the previous two years is only available as estimates. For example, in 1998, there was no data for 1998, there were estimates for 1997 and 1996, and there was final data for all prior years. In 1999, the estimated average wage for 1996 is replaced with a final amount. Overwriting the estimate would make historical calculations invalid because a calculation for an employee who terminated in 1998 uses the rules as of 1998. It cannot use information that was not available then. Therefore, a new effective-dated table is added every year, and both the estimate and the final value are available when needed.

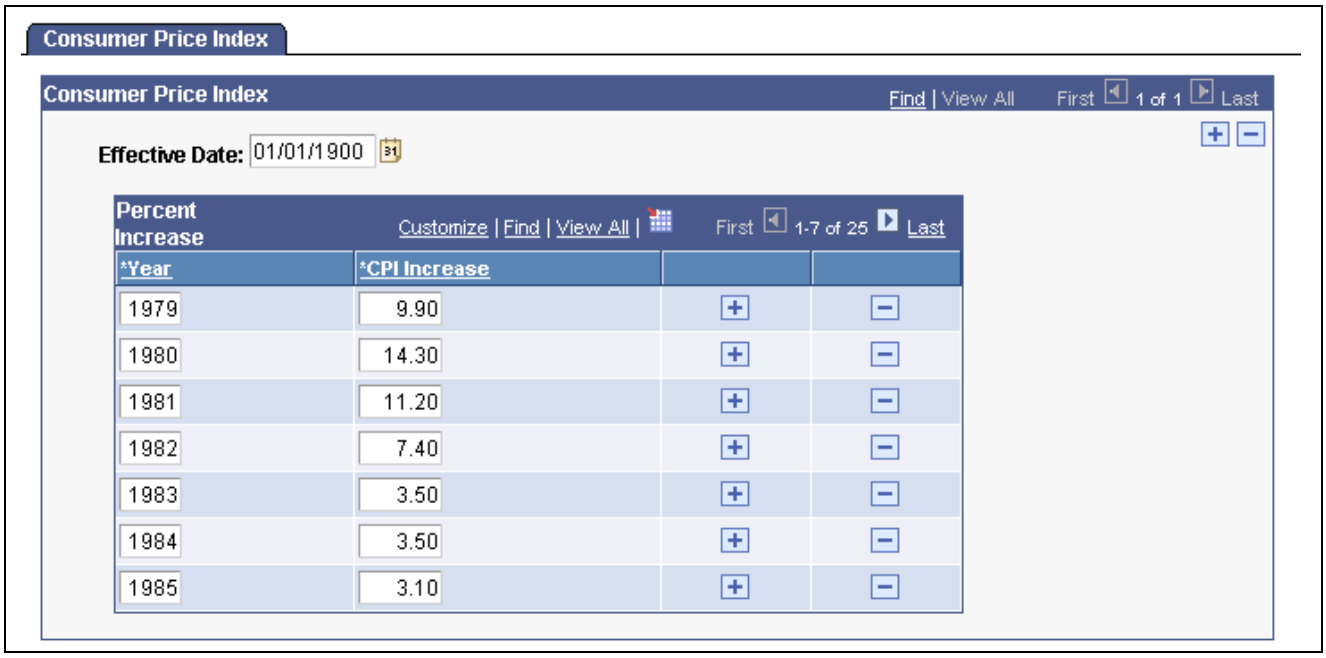
The two estimates are marked *Assumed* and are known as the "lag years."

On the Social Security (SOCIAL_SECURITY) - Soc Sec Earnings Basis page, you can use the Lag Year Regression Method to specify how to treat lag year data in social security calculations.

Viewing Consumer Price Index Data

Access the Consumer Price Index page.

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Consumer Price Index page

When the system calculates social security benefits, it uses the Consumer Price Index (CPI) to incorporate annual cost of living adjustments between the year of eligibility and the year the social security benefits are assumed to commence.

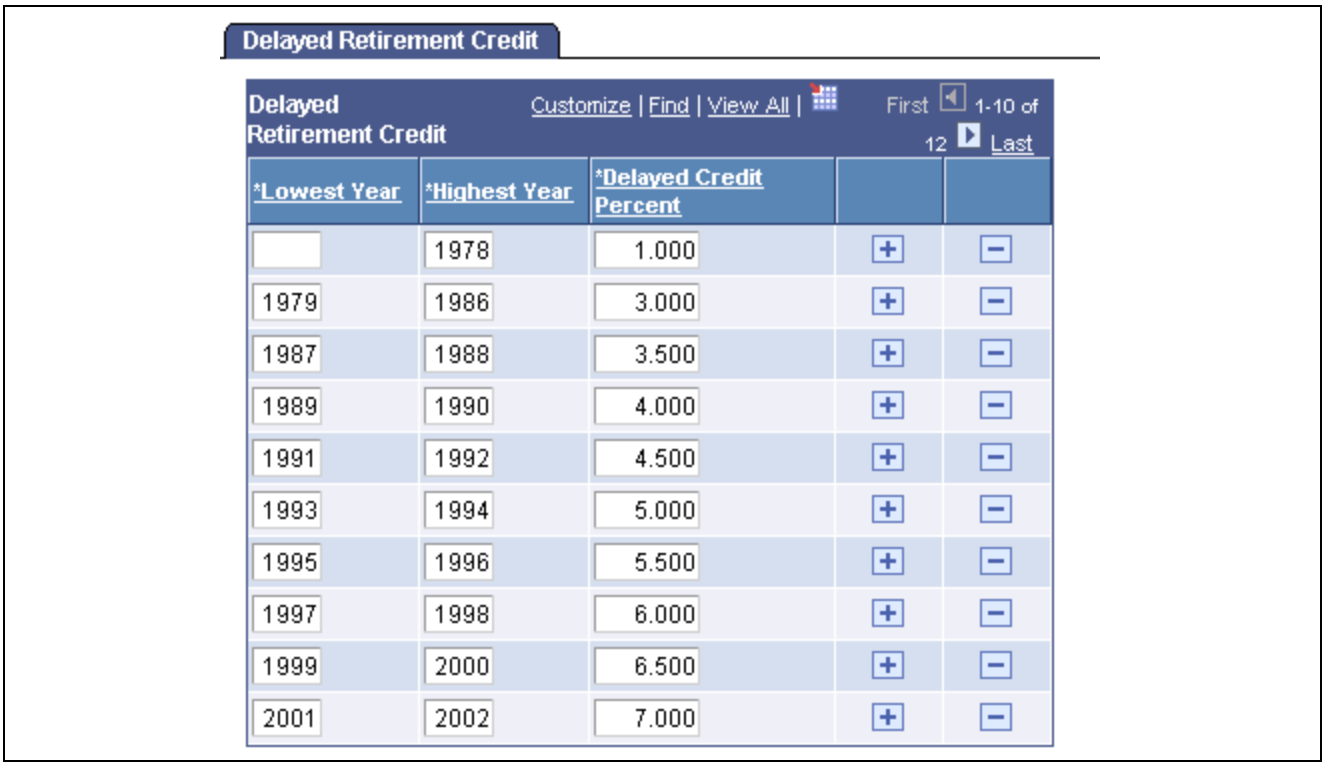
The Social Security Act requires that the cost of living increase be based on the CPI for urban wage earners and clerical workers for the quarter ending each September 30 (the average for the months of July, August, and September).

Each effective-dated row contains a year and the associated CPI increase rate.

Viewing Delayed Retirement Credits

Access the Delayed Retirement Credit page.

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Delayed Retirement Credit page

Each row consists of a lowest year, a highest year, and the associated delayed credit percent for that range.

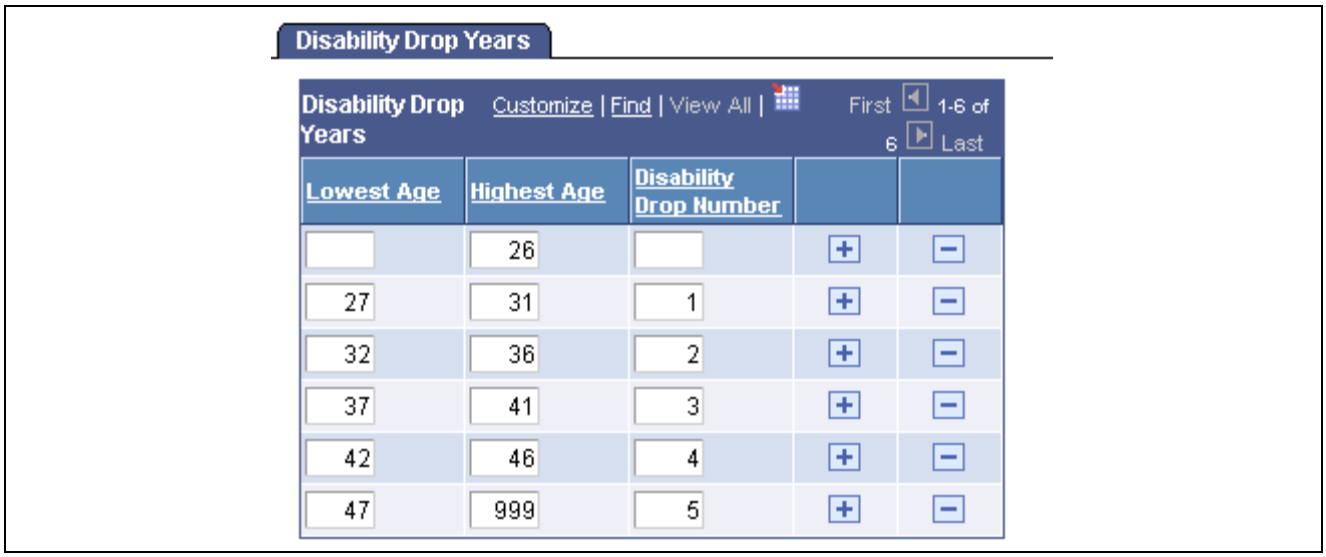
Note. Each delayed credit value applies to a specified range of years. This display format is slightly different from the previous tables, which show only one value for each individual year.

If you edit this table, be sure not to set up overlapping rows. For example, if you set up rows for 1980-1990 and 1990-2000, there are two rows for 1990.

Viewing Disability Drop Years

Access the Disability Drop Years page.

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Disability Drop Years page

Each row consists of a lowest age, a highest age, and the associated disability drop number. The disability drop number is the number of years to drop for employees becoming disabled within that age range.

Note. Be sure not to set up overlapping rows. For example, if you set up rows for 37-41 and 41-46, there are two rows for age 41.

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APPENDIX A

Pension Administration Reports

This appendix provides an overview of Pension Administration reports and enables you to:

- View summary tables of all reports.
- View report details and source records.

Note. For samples of these reports, see the PDF files that are published on CD-ROM with your documentation.

See Also

Enterprise PeopleTools PeopleBook: PeopleSoft Process Scheduler

Pension Administration Reports: A to Z

The tables in this section list the Pension Administration reports, sorted alphanumerically by report ID. If you need more information about a report, refer to the report details at the end of this appendix.

The reports are presented in the following categories:

- Calculation reports
- Data extract reports
- Participant letters reports
- Miscellaneous reports

Note. This appendix includes report files, as well as printable reports. For example, PAPPPYMT - Trustee Extract is a data file that contains the payment-related data used to produce pension checks.

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Calculation Reports

Report ID and Report Name	Description	Navigation	Run Control Page
PAT06A Calculation Worksheet - Formula Detail	Provides summary information about a calculation and each benefit formula that is processed during the calculation. See Appendix A, "Pension Administration Reports," PAT06A - Calculation Worksheet - Formula Detail, page 654.	Pension, Calculations, Create Worksheet, Calculation Worksheet	RUNCTL_PASCW01
PAT06B Calculation Worksheet	Provides detailed information about all aspects of a calculation, including the calculation inputs and the intermediate and final values for each benefit component. **Note.** The intermediate values are available only if you select *Detailed Worksheet* on the Define Calculation - Main Page. See Appendix A, "Pension Administration Reports," PAT06B - Calculation Worksheet, page 654.	Pension, Calculations, Create Worksheet, Calculation Worksheet	RUNCTL_PASCW01
PAT06C Social Security Worksheet	Provides detailed information about how the system calculated a participant's social security benefit. Includes a participant's entire earnings history. See Appendix A, "Pension Administration Reports," PAT06C - Social Security Worksheet, page 658.	Pension, Calculations, Create Worksheet, Calculation Worksheet	RUNCTL_PASCW01

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Data Extract Reports

Report ID and Report Name	Description	Navigation	Run Control Page
PAPPPYMT Trustee Extract	Provides a file of the payment-related data that a third-party requires in order to produce pension checks. See Appendix A, "Pension Administration Reports," PAPPPYMT - Trustee Extract, page 648.	• Pension, Payments, Create Retiree Payments, Create Retiree Payments • Pension, Reports, Online Trustee Extract, Runcntl Pmtdtl	RUNCTL_PAPPYMNT, RUNCNTL_PMTDTL
PASAV01 Actuarial Valuation Extract	Provides two extract files that you can send to your actuary: one for active participants and one for inactive participants. These files contain the data that the actuary needs in order to perform a plan's annual actuarial valuation. See Appendix A, "Pension Administration Reports," PAPPPYMT - Trustee Extract, page 648.	Pension, Reports, Actuarial Valuation Extract, Actuarial Valuation Extract	RUNCTL_PASAV01
PASPC01 Form 5500 Participant Count	Provides an extract file containing the participant information that is required for annual IRS participant reporting. See Appendix A, "Pension Administration Reports," PASPC01 - Form 5500 Participant Count, page 652.	Pension, Reports, Form 5500 Participation Cnt, Form 5500 Participation Cnt	RUNCTL_PASPC01

See Also

Chapter 9, "Establishing Retiree Administration Control Tables," Creating a Logical File for the Trustee Extract, page 55

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Participant Letters Reports

Report ID and Report Name	Description	Navigation	Run Control Page
PASOF01 Participant's Benefit Extract	Provides the data for the participant selection reports. **Note.** Run this Structured Query Report (SQR) as a prerequisite to running PAWOF01 and PAWOF02. See Appendix A, "Pension Administration Reports," PASOF01 - Participant's Benefit Extract, page 652.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01
PASTDEXT Standard Personal Data Extract	Provides the data for some of the WinWord reports. Run this SQR as a prerequisite to running any of these reports: PAWQL01–03 and PAWRL01–02. See Appendix A, "Pension Administration Reports," PASTDEXT - Standard Personal Data Extract, page 653.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01
PAWOF01 Participant Selection - Qualified	Outlines a participant's optional forms of payment choices for a qualified pension plan. **Note.** This is a WinWord report. See Appendix A, "Pension Administration Reports," PAWOF01 - Participant Selection - Qualified, page 660.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01
PAWOF02 Participant Selection - Nonqualified	Outlines a participant's optional forms of payment choices for a nonqualified pension plan. **Note.** This is a WinWord report. See Appendix A, "Pension Administration Reports," PAWOF01 - Participant Selection - Qualified, page 660.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01

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Report ID and Report Name	Description	Navigation	Run Control Page
PAWQL01 Notice of Minimum Distribution	Provides a notice of minimum distribution for active participants who are reaching age 70 plus and are five percent owners. **Note.** This is a WinWord report. See Appendix A, "Pension Administration Reports," PAWQL01 - Notice of Minimum Distribution, page 660.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01
PAWQL02 Qualified Preretirement Survivor Form	Provides a form that participants can use to elect or waive a plan's qualified preretirement survivor annuity coverage. **Note.** This is a WinWord report. See Appendix A, "Pension Administration Reports," PAWQL02 - Qualified Preretirement Survivor Form, page 660.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01
PAWQL03 Notice of Benefit Suspension	Provides a notification to retirees that benefits have been suspended because they have been rehired. **Note.** This is a WinWord report. See Appendix A, "Pension Administration Reports," PAWQL03 - Notice of Benefit Suspension, page 660.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01
PAWRL01 Rollover Notice	Provides a notification to participants that they are eligible to roll over their retirement plan distributions. **Note.** This is a WinWord report. See Appendix A, "Pension Administration Reports," PAWRL01 - Rollover Notice, page 660.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01

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Report ID and Report Name	Description	Navigation	Run Control Page
PAWRL02 Rollover Election Form	Provides a form for participants who want to roll over their retirement plan distributions. **Note.** This is a WinWord report. See Appendix A, "Pension Administration Reports," PAWRL02 - Rollover Election Form, page 660.	Pension, Reports, Participation Ben Selection, Participant Benefit Selection	RUNCTL_PASOF01

Miscellaneous Reports

Report ID and Report Name	Description	Navigation	Run Control Page
PAT07 Pension Plan Summary	Describes the calculation rules in effect for a specified plan and date. **Note.** This is a system report showing values for many tables. It is not a summary plan description.	Pension, Reports, Plan Summary, Plan Summary	RUNCTL_PASPS01
PAT08 Trustee Extract Detailed Report	Prints the details of the information on the Trustee Extract file.	Pension, Reports, Flatfile Trustee Extract, Trustee Extract	RUNCTL_PAPP02
PAT09 Trustee Extract Detailed Report - Record Type	• Lists the participants receiving payments from a particular pay run. • Provides summary totals for the pay run. See Appendix A, "Pension Administration Reports," PAT09 - Trustee Extract Detailed Report - Record Type, page 659.	Pension, Reports, Flatfile Trustee Extract, Trustee Extract	RUNCTL_PAPP02

Pension Administration: Selected Reports

This section provides detailed information for individual reports, including important fields and source records. The reports are listed alphanumerically by report ID.

PAPPPYMT - Trustee Extract

The Trustee Extract file includes the payment-related data that a third-party requires in order to produce pension checks.

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The system creates the Trustee Extract file when you run the Retiree Payment COBOL SQL process (PAPPPYMT) in Confirmation Processing mode. It writes the trustee extract data to the file that you define using the system variable TRSPYMT.

You can also create the Trustee Extract file outside of the Retiree Payment process. You only do this in unusual circumstances—for example, if you lose or damage the original file that is created by the Retiree Payment process.

There are two reports that print information about the contents of the Trustee Extract file:

- PAT08 - Trustee Extract Detailed Report
- PAT09 - Trustee Extract Detailed Report - Record Type

See Also

Appendix A, "Pension Administration Reports," PAT08 - Trustee Extract Detailed Report, page 659

Appendix A, "Pension Administration Reports," PAT09 - Trustee Extract Detailed Report - Record Type, page 659

Chapter 54, "Making Pension Payments," Reviewing Trustee Extract Data, page 566

Chapter 54, "Making Pension Payments," Creating the Trustee Extract File, page 563

Chapter 9, "Establishing Retiree Administration Control Tables," Creating a Logical File for the Trustee Extract, page 55

PARVWPMT - Review Payment Results

This SQR may be run to view the payment results at an employee level. There are three choices to run the report (the user can choose the desired output on the run control page):

- Payment Details - Total.
- Payment Details - NonTaxable.
- Payment Information.

PASAV01 - Actuarial Valuation Extract

The Actuarial Valuation Extract provides data that your actuary needs in order to perform a plan's annual actuarial valuation. The extract consists of two files:

- Active extract file (pawav01.ext) for participants who are still accruing benefits.
- Inactive extract file (pawav02.ext) for participants who are owed benefits but whose benefits are no longer accruing.

For example, current workers covered under a plan, whether or not they have begun to participate, are typically active. Terminated workers, whether receiving benefits or awaiting deferred benefits, are typically inactive.

As part of your Pension Administration setup, you match each pension status code to one of the following valuation categories: *Active, Inactive, Both Active and Inactive,* or *Done (no liability remaining).*

The Actuarial Valuation Extract uses these categories to determine whether to put participants into the active or inactive extract files. If a participant has had more than one valuation category since the last valuation, then the system refers to the Actuarial Valuation Matrix that you define to determine which of the extract files should house the participant's data. For example, Onslow was active as of the last valuation and is now inactive, so the system must refer to the matrix.

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Note. Workers appearing in the extract for the first time have the prior year category *No Record Exists.*

The active extract file includes the following information:

- EMPLID.
- PENSION_STATUS: Pension Status.
- ACTION: The action in the participant's job record as of the valuation as of date.
- ACTION_REASON: Reason associated with the action.
- LOCATION: Location.
- COMPANY: Company.
- EMPL_TYPE: Worker type: salaried, hourly, or exception hourly.
- STD_HOURS: Standard hours.
- COMP_FREQUENCY: Compensation frequency.
- COMPRATE: Compensation rate.
- NAME: Name.
- NATIONAL_ID: National ID. The system only uses a participant's U.S. national ID (social security number).
- SEX: Gender.
- MAR_STATUS: Marital status.
- BIRTHDATE: Birth date.
- QDRO_IND_YN: Flag that indicates whether a participant has any QDROs attached.
- ORIG_HIRE_DT: Original hire date.
- ACTUAL_EARININGS: Actual pension earnings since the last actuarial valuation. These are the earnings calculated by the function result identified in the reports parameters.
- ACTUAL_HOURS: Actual pension hours since the last actuarial valuation. These are the hours calculated by the function result identified in the reports parameters.
- BENEFIT_SERVICE: Total benefit service accrued as of the extract as of date for the function result identified in the reports parameters.
- VST_SERVICE: Total vesting service accrued as of the extract as of date for the function result identified in the reports parameters.
- END_BALANCE: Total participant account balance as of the extract as of date for the function result identified in the reports parameters.
- BEN_BIRTHDATE: The designated beneficiary's birth date. If there is no explicitly named beneficiary, the spouse is assumed to be the beneficiary.
- BEN_SEX: The designated beneficiary's sex. If there is no explicitly named beneficiary, the spouse is assumed to be the beneficiary.

The inactive extract file includes the following information:

- EMPLID.
- PENSION_STATUS: Pension status.
- LOCATION: Location.

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- COMPANY: Company.
- NAME: Name.
- NATIONAL_ID: National ID. The system only uses a participant's U.S. national ID (social security number).
- SEX: Gender.
- MAR_STATUS: Marital status.
- BIRTHDATE: Birth date.
- QDRO_IND_YN: Flag that indicates whether a participant has any QDROs attached.
- ORIG_HIRE_DT: Original hire date.
- BENEFIT_PLAN: Name of the pension plan identified in the actuarial valuation report parameters.
- APPLIES_AT_DATE: Date payments began.
- PAY_STATUS: Pay status for the pension plan identified in the actuarial valuation report parameters: active, deferred, or stopped.
- PAYEE_TYPE: The payee type: retiree, beneficiary, or QDRO alternate payee.
- PYMT_FREQ: The payment frequency for pension payments.
- FORM_CODE: Code that identifies the optional form of payment.
- PMT_AMT: Payment amount.
- PMT_END_DT: The date of the last pension payment, if known.

The Actuarial Valuation Extract produces the following warning messages. These warnings do not cause an abnormal termination of the program. They may explain why certain participants do not appear on the inactive or active files.

- Message: Valuation code not assigned to pension status [status]. Therefore no active or inactive file is written for this employee [EmplID].

  Cause: Pension status has no corresponding valuation category.

- Message: Valuation matrix invalid for CY_VAL_CODE [current year valuation category] PY_VAL_CODE = [prior year valuation category]. Therefore no active or inactive file is written for this employee [EmplID].

  Cause: The current year category and prior year category combination is not defined in the Actuarial Valuation Matrix.

- Message: There isn't a valid payee setup for EmplID [EmplID].

  Cause: You have not set up a payee record, and this record is required.

- Message: There isn't a valid payment schedule for EmplID [EmplID].

  Cause: You have not set up a payment schedule, and this is required.

See Also

Chapter 44, "Using Pension Statuses," page 377

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PASOF01 - Participant's Benefit Extract

This SQR creates a WinWord merge file with a participant's language, name, plan, and benefit amounts for the following optional forms of payment: single life annuity, 5 year term certain, 10 year term certain, 15 year term certain, lump sum, 50 percent joint and survivor participant and beneficiary amounts, 66 1/2 percent joint and survivor participant and beneficiary amounts, 75 percent joint and survivor participant and beneficiary amounts, 100 percent joint and survivor participant and beneficiary amounts.

Run this SQR as a prerequisite to running the following participant letters reports: PAWQL01–03 and PAWRL01–02.

PASPC01 - Form 5500 Participant Count

This SQR creates a file, pawpc01.ext, containing the participant information that is required for annual IRS reporting.

It counts participants by categories that are based on their pension statuses and vesting percentages, and provides the total number of participants to report on various lines of the Form 5500.

Periodic processing updates the pension statuses and vesting percentages. In order to produce up-to-date participant counts, you need to run periodic processing before you run PASPC01.

You run periodic processing on the Batch Periodic Process page. Select the *Pension Status* and *Service* options.

Note. There is no vesting option on the Batch Periodic Process page. Vesting runs when you run service processing.

The following list shows how the status codes map to Form 5500 item 7.

- APR, AVS, ANS, A70 are mapped to (a) 1, if the vesting percentage is 100.
- APR, AVS, ANS are mapped to (a) 2, if the vesting percentage is greater than zero and less than 100.
- APR, AVS, ANS are mapped to (a) 3, if the vesting percentage is zero.
- TNV is mapped to (h), if terminated within the reporting year.
- TDF is mapped to (c).
- TDF, TST, TPY, RDF, RPY are mapped to (h) if terminated within the reporting year and the vesting percentage is less than 100.
- TPY is mapped to (b).
- RDF is mapped to (c).
- RST is not included.
- RPY is mapped to (b).
- XBP is mapped to (e).
- XNB is not included.
- DDF is mapped to (c).
- DST is not included.
- DPY is mapped to (b).
- BDF is mapped to (e).
- BST is not included.

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- BPY is mapped to (e).

The following list shows how the Form 5500 line numbers map to pension codes:

- (a) 1 is mapped to APR, AVS, ANS, A70 if the vesting percentage is 100.
- (a) 2 is mapped to APR, AVS, ANS if the vesting percentage is greater than zero and less than 100.
- (a) 3 is mapped to APR, AVS, ANS if the vesting percentage is zero.
- (b) is mapped to TPY, RPY, DPY.
- (c) is mapped to TDF, RDF, DDF.
- (e) is mapped to BDF, BPY, XBP.
- (h) is mapped to TNV if terminated within the reporting year.
- (h) is mapped to TDF, TST, TPY, RDF, RPY if terminated within the reporting year and the vesting percentage is less than 100.

Participants who terminated or retired within the reporting year with a vested percentage of less than 100 may be counted twice. The second occurrence is on line (h). This is acceptable because this line item is not part of the total participant count. It simply notifies the IRS of a possible partial termination.

You must calculate the total for row (i). This total is not printed on this report. To calculate this total, add the participants with pension status codes TDF, RBP, XDF, and DDF who terminated in the current 5500 reporting year and who have not been paid out (either completely or in part) by the due date for filing Form 5500.

Note. This is specified in IRS Form 5500 Schedule SSA for 1995, which revised the required reporting deadline.

QDRO recipients who are not otherwise participants in their own rights are not included.

Participants who are 70 or older are presumed to be 100 percent vested. For Form 5500 reporting, they are counted as active and not receiving payments, in order to avoid counting them twice.

The Form 5500 extract file includes two rows of data:

- The first row identifies the Form 5500 line numbers: A1_COUNT, A2_COUNT, A3_COUNT, B_COUNT, C_COUNT, E_COUNT, H_COUNT.
- The second row provides counts by line number.

See Also

Chapter 45, “Running Periodic Processes,” page 389

Chapter 51, “Maintaining Employee Pension Data,” page 493

PASTDEXT - Standard Personal Data Extract

This SQR creates a WinWord merge file with a participant’s language, name, address, national ID code (U.S. social security number), and the current date.

You run this SQR as a prerequisite to running the following participant letters reports: PAWQL01–L03, PAWRL01–02.

In order to create these participant letters, you need to run two processes:

1. Run PASTDEXT to retrieve data from the participant records and create the extract file.

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2. Run a WinWord process that merges the extracted data into a Word letter template. For example, run PASDEXT, and then run PAWOF01 to generate the Participant Selection - Qualified report.

Note. You can also run PASOF1 (as an alternative to PASTDEXT) to create the extract file.

To run this report:

- Select the language to use for the report: the language specified in the Language field, or the recipient's language. This option only works if there are multiple language versions of the report available.
- Enter the participant's EmplID.
- Enter the calculation name.
- Select the benefit plan that produced the optional forms of payment results.
- Select the name of the optional forms of payment result. This is the specific optional form set that you want to print in the letter. For example, if the plan produces optional forms for both normal and late retirement, enter the name of the form to print in the letter.

PAT06A - Calculation Worksheet - Formula Detail

This SQR provides summary information about a calculation and its benefit formulas.

The Calculation section provides the calculation description and name, the rules as of date (which determines the effective date to use when determining the appropriate plan rules), and the calculation run date and time. It also includes the calculation reason that was the basis for the calculation.

The Plan section includes the assumed benefit commencement date or age and the lump sum date or age.

The Plan section uses the 10-character names that you assigned to the calculation components, not their full descriptions. For each plan, the report prints the formula, shown as an equation, followed by the individual components and their values.

The report provides the formula and the values of formula components for each benefit amount. Multiple benefit amounts may reflect reduced and unreduced benefits, employee-paid and employer-paid benefits, grandfathered benefits, benefits before and after a QDRO offset, and any other benefits that your organization calculates.

See Also

Chapter 47, "Viewing Calculation Results," page 431

PAT06B - Calculation Worksheet

This SQR provides a worksheet of the results for a particular calculation. It includes basic calculation data and inputs and the detailed results for each calculation component.

The Employment History section provides a history of action and reason codes and the employee types in a participant's job record.

The Plan Overrides section shows any projection assumptions you entered, any beneficiary overrides, and your choice of whether to grant full service credit to participants with purchasable service balances.

The Beneficiary Information section shows whether a spouse (the "plan beneficiary") meets eligibility requirements for an automatic benefit. This section also provides personal data about any non-spouse ("contingent") beneficiary.

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The Function Result Overrides section shows any overrides you entered for specific plan components.

The Optional Forms section shows each of the optional forms of payment that is available to the participant. Depending on how you set up the calculation job stream, there may be multiple form sets based on different commencement dates, typically normal and early retirement.

The following information is printed for each form:

- Form: The form of payment (for example, a single life annuity, a joint and survivor, or a lump sum).
- Guaranteed Payment: The number of years of guaranteed payment (for example, 5 years).
- Percent Continued: The percentage continued if there is a survivor benefit.
- Factor: The factor used to convert the benefit to this optional form of payment.
- Type: The payment type. Each form in a form set has a different type of payment. For example, joint and survivor forms show both retiree amount and beneficiary amount. (A "plan beneficiary amount" is for a participant's spouse, and a "nonspouse beneficiary amount" is for any other beneficiary). Level income option forms show both retiree pre-SSRA amount and retiree post-SSRA amount.
- Total (Unlimited), NonTax (Unlimited), Total (Limited), NonTax (Limited): Because qualified pension benefits are limited under the Internal Revenue Code Section 415, the report prints both the unlimited and limited amounts. The limited amount is the actual payable amount. The unlimited amount is informational only.

  For each payment type, the report prints the total amount and any nontaxable portion of that amount for both the unlimited and limited amounts.

The Benefit Calculation section shows the normal and early retirement dates and all the benefit amounts that were calculated. This may include reduced and unreduced benefits, employee-paid and employer-paid benefits, grandfathered benefits, and any other benefits that your organization calculates.

For each benefit, the report prints the benefit amount, a description of the benefit, and a description of the normal form of payment, including any automatic spouse benefit. The amounts shown do not reflect reductions caused by applying Internal Revenue Code Section 415 limits.

The Service section shows all the service calculations for the participant. Depending on how you set up the calculation jobstream, there may be multiple service calculations for participation service, vesting service, and service credit.

The following information is printed for each service calculation:

- Description of the type of service.
- Years as of Event Date: The final amount of service accrued as of the event date.
- Period Start, Period End: The start and end dates of the service period.
- Process Through: The end of the period for all complete periods and the event date for the final period.
- Hours: The number of hours the worker has. This is zero for elapsed time service calculations.
- Breaks for Period: Whether the period counts toward breaks. This is 1 for break periods and zero for non-break periods.
- Accumulated Breaks: The number of consecutive breaks, including this period.
- Service w/ Breaks: The amount of service for which the worker receives credit *after* break rules are applied. This is the basis for the total service accrual.
- Service w/o Breaks: The amount of service for which the worker receives credit *before* break rules are applied. This is informational only.

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- Service Adjustment: The total adjustments applied to service during the period. Service is commonly adjusted when workers withdraw contributions and thus forfeit their previous service, when workers repay contributions to restore forfeited service, and when workers purchase service.
- Accumulated Service: The total amount of service accumulated as of the period end date, taking into account breaks in service and any service forfeiture or restoration.

Note. If you enter a function result override for a service calculation, there are no detailed results.

The Final Average Earnings section shows all the final average earnings (FAE) calculations for the participant.

The report prints the FAE amount and its description, and a detailed breakdown of the participant's consolidated earnings history. If your earnings definition uses only a specified number of periods, the report only prints rows for as many periods as the system needed to evaluate to come up with that number. This may be more than the specified number of periods if your definition ignores zero periods, final periods, or other periods.

The following information is printed for each period:

- Start Date, End Date: The start and end dates of the earnings period.
- Last Process Date: The end of the period for all complete periods.
- Projected Y/N: *P* means that the earnings were projected.
- Actual Earnings: Shows the earnings from payroll.
- Generated Earnings: Shows the earnings for the period if your plan rules caused the system generate earnings.
- Adjusted Earnings: Shows the final earnings amount after all generations and adjustments. This is the amount actually used in the averaging process.
- Portion of Earnings Used: This is *0* when the earnings are not included in the average and *1* when the earnings are included.

The Vesting section shows the vesting percentage as of the event date.

The Age Adjustment Factors section shows any early or late retirement adjustments. This includes plan early and late retirement factors, and may include actuarial adjustments that are applied to 415 limits for early or late benefit commencement.

For each factor, the report prints the description and the factor.

The Death Adjustment Factors section shows the reduction factor applied to a participant's benefit when the plan requires the participant to pay for coverage under the plan's preretirement survivor annuity offering. The report shows the final factor and the length of the coverage period.

The Covered Compensation section shows the participant's covered compensation: the average of the taxable wage bases for the 35 years up to and including the participant's social security normal retirement age. The amount is either a monthly or annual figure, depending on how you express covered compensation for your plan.

The Social Security section provides the participant's social security retirement age, the estimated social security benefit at that age, the assumed social security commencement date, and the estimated social security benefit at that date.

Note. Detailed information about how the social security amounts were calculated is available in a separate report, PAT06C - Social Security Worksheet.

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The Account Balances section prints information on cash balance accounts. It includes the final account balance as of the event date.

Note. This balance is labeled *Accumulated as of Benefit Commencement Date,* but it is actually as of the event date.

The report prints the following information for each period:

- Start Date, End Date: The start and stop date of the period.
- Beginning Balance: The beginning account balance for the period.
- Earnings: Earnings for the period.
- Credit for Period.
- Contribution Rate: The percentage of earnings credited to the account.
- Interest for Period.
- Interest Rate.
- Adjustment for Period.
- Interest for Period: Interest adjustments for the period
- Ending Balance.

The Employee Accounts section prints the final account balance as of the benefit commencement date.

The report prints the following information for each period:

- The start and stop date of the period.
- The interest earned on the prior period balance.
- The pretax credits (deductions) for period, the interest earned on the prior pretax credit balance, and the new totals for pretax credits and pretax interest after the current period amounts are added to the balance.
- The posttax credits (deductions) for period, the interest earned on the prior posttax credit balance, and the new totals for posttax credits and posttax interest after the current period amounts are added to the balance.
- Contribution rate, which is the percentage of earnings contributed.
- Interest for the period.
- Interest rate.
- Adjustments and interest adjustments for the period.
- Ending balance.

The Plan Eligibility section shows whether the participant was eligible as of the event date and provides a history of the participant's eligible and ineligible periods.

The Plan Participation section shows whether the participant is participating and, if so, when the participant became a plan participant.

The Benefit Eligibility section shows each retirement type that is defined in the system and whether the participant is eligible or ineligible for that retirement type.

The middle column prints the system's internal name for the retirement type.

The Limit 415 section prints information about how the system determined the Section 415 limits and applied the limits to the participant's benefit.

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There are two components to the 415 limit:

- FAE Limit/Adjusted: The final average earnings (FAE) limit. This amount can be adjusted for early or late benefit commencement.
- Maximum 415(b) Limit/Adjusted: A dollar limit published by the IRS and known as the "maximum 415(b) dollar limit." This amount can also be adjusted for early or late benefit commencement.

The lesser of the above amounts is used as the final limit.

Historically, there was a third limit, which has been repealed. However, it still a limiting factor for calculations with certain historical benefit commencement dates. This combined fractional limit restricts the total amount a participant can receive from both defined benefit and defined contribution plans. The historical rule is that the sum of the "defined contribution fraction" (DC fraction) and the "defined benefit fraction" (DB fraction) cannot exceed 1. If the sum is greater than 1 and the DC plan is primary, the defined benefit is reduced until the sum equals one. These fractions are calculated according to rules that were laid out by the Internal Revenue Code.

Because this limit applies to certain historical calculations, the following fields are printed:

- 415(e) Limit: The historical limit on the total amount a participant can receive from defined benefit and defined contribution plans.
- DC Fraction: The defined contribution fraction used to calculate the historical limit.
- DB Fraction: The defined benefit fraction used to calculate the historical limit.

The following fields are also printed:

- Total SLA Benefit: The participant's total single life annuity (SLA) benefit from all plans included in this calculation.
- Limit Used: The limit that was used (the lesser of the applicable limits).
- Reduction: The amount of the reduction.

The report prints the following information for the benefits that are subject to 415 limits:

- Order.
- Benefit Plan.
- Function result.
- Pmt amtl: The unlimited payment amount.
- L415 Pmt amtl: The limited payment amount.
- For 415 Only: If this is *Y,* the plan does not offer a single life annuity, and the annuity value shown is used only in the 415 limit calculation.
- User Reduction: The reduction amount.
- Proration Pct: The reduction factor.

See Also

Chapter 47, "Viewing Calculation Results," page 431

PAT06C - Social Security Worksheet

This SQR provides detailed information about how the system calculates a participant's social security benefits:

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- Primary Insurance Amount: The social security primary insurance amount (PIA) as of the participant's normal social security retirement age.
- Adjusted Primary Insurance Amt: Includes both general increases and increases or reductions based on the assumed social security commencement date. This is normally considered the "actual" social security retirement benefit.
- Eligibility Year: The year the participant reaches age 62, or the year of death or disability.
- NAW Indexing Year: The national average wage (NAW) indexing year. This is two years before the year of eligibility.
- NAW Index Year Amount: The national average wage for the indexing year.
- # of Computation Years: The number of years of the participant's lifetime earnings history that is used in determining social security.
- AIME: The average indexed monthly earnings (AIME) is calculated by taking the lesser of the participant's earnings and the taxable wage base for each computation year, indexing it with a factor representing the growth in the national average wage, and dividing the total by the number of computation years and then again by 12. This is adjusted further by "bend point" factors to determine the initial PIA.
- Birthdate: Determines the social security retirement age.
- Social Security Age: The social security retirement age.
- Social Security BCD: The assumed benefit commencement date for social security benefits.

For each year, the report includes the following earnings information that is used for social security calculations:

- Taxable Wage Base Amount: xx
- Actual Empl Earnings: The participant's actual earnings.
- Taxable Earnings: The lesser of the taxable wage base amount or the participant's actual earnings.
- Natl Avg Earnings: The national average earnings (NAW).
- Indexed Amount: Calculated by multiplying the taxable earnings by a factor. The factor is calculated by dividing the NAW for the indexing year by the NAW for the year being indexed.
- Indexed Amount Used in Calc: The earnings amount used for a year that is included in the AIME computation period.

See Also

Chapter 47, "Viewing Calculation Results," page 431

PAT07 - Pension Plan Summary

This SQR report describes the calculation in effect for a single plan as of a certain date.

PAT08 - Trustee Extract Detailed Report

This SQR report provides details of the trustee extract.

PAT09 - Trustee Extract Detailed Report - Record Type

For each participant, this report includes the following information about the scheduled (recurring) and one-time payments in the selected pay run:

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- Payment reason.
- Payment reason for one-time payments.
- Provider and Provider Name: Funding provider and name.
- Payment Amount: Total payment amount.
- Nontax Payment Amount:Nontaxable portion of the payment amount.
- Form Code and Form Description: Optional form of payment for scheduled payments, and its description.

PAWOF01 - Participant Selection - Qualified

This report outlines a participant's optional form choices for a qualified pension plan. It uses the word template named optform.doc.

PAWOF02 - Participant Selection - Nonqualified

This report outlines a participant's optional form choices for a nonqualified pension plan. It uses the word template named optform2.doc.

PAWQL01 - Notice of Minimum Distribution

This report provides a notice of minimum distribution for active employees reaching age 70 + who are 5% owners. It uses the word template named mindislt.doc.

PAWQL02 - Qualified Preretirement Survivor Form

This report provides a form for employees to elect or waive the plan's qualified preretirement survivor annuity coverage. It uses the word template named presurv.doc.

PAWQL03 - Notice of Benefit Suspension

This report notifies retirees that benefits have been suspended because the retiree has been rehired. It uses the word template named bensuspn.doc.

PAWRL01 - Rollover Notice

This report notifies participants that they are eligible to roll over their retirement plan distributions. It uses the word template named rollover.doc.

PAWRL02 - Rollover Election Form

This report provides a form for participants who want to roll over their retirement plan distributions. It uses the word template named rollover2.doc.

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Glossary of PeopleSoft Enterprise Terms

absence entitlement	This element defines rules for granting paid time off for valid absences, such as sick time, vacation, and maternity leave. An absence entitlement element defines the entitlement amount, frequency, and entitlement period.
absence take	This element defines the conditions that must be met before a payee is entitled to take paid time off.
academic career	In PeopleSoft Enterprise Campus Solutions, all course work that a student undertakes at an academic institution and that is grouped in a single student record. For example, a university that has an undergraduate school, a graduate school, and various professional schools might define several academic careers—an undergraduate career, a graduate career, and separate careers for each professional school (law school, medical school, dental school, and so on).
academic institution	In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.
academic organization	In PeopleSoft Enterprise Campus Solutions, an entity that is part of the administrative structure within an academic institution. At the lowest level, an academic organization might be an academic department. At the highest level, an academic organization can represent a division.
academic plan	In PeopleSoft Enterprise Campus Solutions, an area of study—such as a major, minor, or specialization—that exists within an academic program or academic career.
academic program	In PeopleSoft Enterprise Campus Solutions, the entity to which a student applies and is admitted and from which the student graduates.
accounting class	In PeopleSoft Enterprise Performance Management, the accounting class defines how a resource is treated for generally accepted accounting practices. The Inventory class indicates whether a resource becomes part of a balance sheet account, such as inventory or fixed assets, while the Non-inventory class indicates that the resource is treated as an expense of the period during which it occurs.
accounting date	The accounting date indicates when a transaction is recognized, as opposed to the date the transaction actually occurred. The accounting date and transaction date can be the same. The accounting date determines the period in the general ledger to which the transaction is to be posted. You can only select an accounting date that falls within an open period in the ledger to which you are posting. The accounting date for an item is normally the invoice date.
accounting split	The accounting split method indicates how expenses are allocated or divided among one or more sets of accounting ChartFields.
accumulator	You use an accumulator to store cumulative values of defined items as they are processed. You can accumulate a single value over time or multiple values over time. For example, an accumulator could consist of all voluntary deductions, or all company deductions, enabling you to accumulate amounts. It allows total flexibility for time periods and values accumulated.
action reason	The reason an employee's job or employment information is updated. The action reason is entered in two parts: a personnel action, such as a promotion, termination, or change from one pay group to another—and a reason for that action. Action reasons are used by PeopleSoft Enterprise Human Resources, PeopleSoft Enterprise Benefits

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Administration, PeopleSoft Enterprise Stock Administration, and the COBRA Administration feature of the Base Benefits business process.

action template In PeopleSoft Enterprise Receivables, outlines a set of escalating actions that the system or user performs based on the period of time that a customer or item has been in an action plan for a specific condition.

activity In PeopleSoft Enterprise Learning Management, an instance of a catalog item (sometimes called a class) that is available for enrollment. The activity defines such things as the costs that are associated with the offering, enrollment limits and deadlines, and waitlisting capacities.

In PeopleSoft Enterprise Performance Management, the work of an organization and the aggregation of actions that are used for activity-based costing.

In PeopleSoft Enterprise Project Costing, the unit of work that provides a further breakdown of projects—usually into specific tasks.

In PeopleSoft Workflow, a specific transaction that you might need to perform in a business process. Because it consists of the steps that are used to perform a transaction, it is also known as a step map.

address usage In PeopleSoft Enterprise Campus Solutions, a grouping of address types defining the order in which the address types are used. For example, you might define an address usage code to process addresses in the following order: billing address, dormitory address, home address, and then work address.

adjustment calendar In PeopleSoft Enterprise Campus Solutions, the adjustment calendar controls how a particular charge is adjusted on a student's account when the student drops classes or withdraws from a term. The charge adjustment is based on how much time has elapsed from a predetermined date, and it is determined as a percentage of the original charge amount.

administrative function In PeopleSoft Enterprise Campus Solutions, a particular functional area that processes checklists, communication, and comments. The administrative function identifies which variable data is added to a person's checklist or communication record when a specific checklist code, communication category, or comment is assigned to the student. This key data enables you to trace that checklist, communication, or comment back to a specific processing event in a functional area.

admit type In PeopleSoft Enterprise Campus Solutions, a designation used to distinguish first-year applications from transfer applications.

agreement In PeopleSoft Enterprise eSettlements, provides a way to group and specify processing options, such as payment terms, pay from a bank, and notifications by a buyer and supplier location combination.

allocation rule In PeopleSoft Enterprise Incentive Management, an expression within compensation plans that enables the system to assign transactions to nodes and participants. During transaction allocation, the allocation engine traverses the compensation structure from the current node to the root node, checking each node for plans that contain allocation rules.

alternate account A feature in PeopleSoft Enterprise General Ledger that enables you to create a statutory chart of accounts and enter statutory account transactions at the detail transaction level, as required for recording and reporting by some national governments.

analysis database In PeopleSoft Enterprise Campus Solutions, database tables that store large amounts of student information that may not appear in standard report formats. The analysis database tables contain keys for all objects in a report that an application program can use to reference other student-record objects that are not contained in the printed report. For instance, the analysis database contains data on courses that are considered

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	for satisfying a requirement but that are rejected. It also contains information on courses captured by global limits. An analysis database is used in PeopleSoft Enterprise Academic Advisement.
Application Messaging	PeopleSoft Application Messaging enables applications within the PeopleSoft Enterprise product family to communicate synchronously or asynchronously with other PeopleSoft Enterprise and third-party applications. An application message defines the records and fields to be published or subscribed to.
AR specialist	Abbreviation for *receivables specialist.* In PeopleSoft Enterprise Receivables, an individual in who tracks and resolves deductions and disputed items.
arbitration plan	The arbiter when multiple price rules match the transaction. This plan determines the order in which the price rules are applied to the transaction base price.
assessment rule	In PeopleSoft Enterprise Receivables, a user-defined rule that the system uses to evaluate the condition of a customer's account or of individual items to determine whether to generate a follow-up action.
asset class	An asset group used for reporting purposes. It can be used in conjunction with the asset category to refine asset classification.
attribute/value pair	In PeopleSoft Enterprise Directory Interface, relates the data that makes up an entry in the directory information tree.
auction event	In PeopleSoft Strategic Sourcing, a sourcing event where bidders actively compete against one another to achieve the best price or score.
audience	In PeopleSoft Enterprise Campus Solutions, a segment of the database that relates to an initiative, or a membership organization that is based on constituent attributes rather than a dues-paying structure. Examples of audiences include the Class of '65 and Undergraduate Arts & Sciences.
authentication server	A server that is set up to verify users of the system.
base time period	In PeopleSoft Enterprise Business Planning, the lowest level time period in a calendar.
benchmark job	In PeopleSoft Enterprise Workforce Analytics Solution, a benchmark job is a job code for which there is corresponding salary survey data from published, third-party sources.
bid response	In PeopleSoft Strategic Sourcing, the response by a bidder to an event.
billing career	In PeopleSoft Enterprise Campus Solutions, the one career under which other careers are grouped for billing purposes if a student is active simultaneously in multiple careers.
bio bit or bio brief	In PeopleSoft Enterprise Campus Solutions, a report that summarizes information stored in the system about a particular constituent. You can generate standard or specialized reports.
book	In PeopleSoft Enterprise Asset Management, used for storing financial and tax information, such as costs, depreciation attributes, and retirement information on assets.
branch	A tree node that rolls up to nodes above it in the hierarchy, as defined in PeopleSoft Tree Manager.
budgetary account only	An account used by the system only and not by users; this type of account does not accept transactions. You can only budget with this account. Formerly called "system-maintained account."

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budget check In commitment control, the processing of source transactions against control budget ledgers, to see if they pass, fail, or pass with a warning.

budget control In commitment control, budget control ensures that commitments and expenditures don't exceed budgets. It enables you to track transactions against corresponding budgets and terminate a document's cycle if the defined budget conditions are not met. For example, you can prevent a purchase order from being dispatched to a vendor if there are insufficient funds in the related budget to support it.

budget period The interval of time (such as 12 months or 4 quarters) into which a period is divided for budgetary and reporting purposes. The ChartField allows maximum flexibility to define operational accounting time periods without restriction to only one calendar.

business activity The name of a subset of a detailed business process. This might be a specific transaction, task, or action that you perform in a business process.

business event In PeopleSoft Enterprise Receivables, defines the processing characteristics for the Receivable Update process for a draft activity.

In PeopleSoft Enterprise Sales Incentive Management, an original business transaction or activity that may justify the creation of a PeopleSoft Enterprise Incentive Management event (a sale, for example).

business process A standard set of 17 business processes are defined and maintained by the PeopleSoft Enterprise product families and are supported by the Business Process Engineering group. An example of a business process is Order Fulfillment, which is a business process that manages sales orders and contracts, inventory, billing, and so forth.

See also *detailed business process.*

business unit constraints In PeopleSoft Strategic Sourcing, these constraints apply to a selected Strategic Sourcing business unit. Spend is tracked across all of the events within the selected Strategic Sourcing business unit.

business task The name of the specific function depicted in one of the business processes.

business unit A corporation or a subset of a corporation that is independent with regard to one or more operational or accounting functions.

buyer In PeopleSoft Enterprise eSettlements, an organization (or business unit, as opposed to an individual) that transacts with suppliers (vendors) within the system. A buyer creates payments for purchases that are made in the system.

buy event In PeopleSoft Strategic Sourcing, for event creators, the purchase of goods or services, most typically associated with a request for quote, proposal, or reverse auction.For bidders, the sale of goods or services.

campus In PeopleSoft Enterprise Campus Solutions, an entity that is usually associated with a distinct physical administrative unit, that belongs to a single academic institution, that uses a unique course catalog, and that produces a common transcript for students within the same academic career.

cash drawer A repository for monies and payments taken locally.

catalog item In PeopleSoft Enterprise Learning Management, a specific topic that a learner can study and have tracked. For example, "Introduction to Microsoft Word." A catalog item contains general information about the topic and includes a course code, description, categorization, keywords, and delivery methods. A catalog item can have one or more learning activities.

catalog map In PeopleSoft Enterprise Catalog Management, translates values from the catalog source data to the format of the company's catalog.

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catalog partner In PeopleSoft Enterprise Catalog Management, shares responsibility with the enterprise catalog manager for maintaining catalog content.

categorization Associates partner offerings with catalog offerings and groups them into enterprise catalog categories.

category In PeopleSoft Enterprise Campus Solutions, a broad grouping to which specific comments or communications (contexts) are assigned. Category codes are also linked to 3C access groups so that you can assign data-entry or view-only privileges across functions.

channel In PeopleSoft MultiChannel Framework, email, chat, voice (computer telephone integration [CTI]), or a generic event.

ChartField A field that stores a chart of accounts, resources, and so on, depending on the PeopleSoft Enterprise application. ChartField values represent individual account numbers, department codes, and so forth.

ChartField balancing You can require specific ChartFields to match up (balance) on the debit and the credit side of a transaction.

ChartField combination edit The process of editing journal lines for valid ChartField combinations based on user-defined rules.

ChartKey One or more fields that uniquely identify each row in a table. Some tables contain only one field as the key, while others require a combination.

checkbook In PeopleSoft Enterprise Promotions Management, enables you to view financial data (such as planned, incurred, and actual amounts) that is related to funds and trade promotions.

checklist code In PeopleSoft Enterprise Campus Solutions, a code that represents a list of planned or completed action items that can be assigned to a staff member, volunteer, or unit. Checklists enable you to view all action assignments on one page.

claimback In the wholesale distribution industry, a contract between supplier and distributor, in which monies are paid to the distributor on the sale of specified products or product groups to targeted customers or customer groups.

class In PeopleSoft Enterprise Campus Solutions, a specific offering of a course component within an academic term.

See also *course.*

Class ChartField A ChartField value that identifies a unique appropriation budget key when you combine it with a fund, department ID, and program code, as well as a budget period. Formerly called *sub-classification.*

clearance In PeopleSoft Enterprise Campus Solutions, the period of time during which a constituent in PeopleSoft Enterprise Contributor Relations is approved for involvement in an initiative or an action. Clearances are used to prevent development officers from making multiple requests to a constituent during the same time period.

clone In PeopleCode, to make a unique copy. In contrast, to *copy* may mean making a new reference to an object, so if the underlying object is changed, both the copy and the original change.

cohort In PeopleSoft Enterprise Campus Solutions, the highest level of the three-level classification structure that you define for enrollment management. You can define a cohort level, link it to other levels, and set enrollment target numbers for it.

See also *population* and *division*.

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collection To make a set of documents available for searching in Verity, you must first create at least one collection. A collection is set of directories and files that allow search application users to use the Verity search engine to quickly find and display source documents that match search criteria. A collection is a set of statistics and pointers to the source documents, stored in a proprietary format on a file server. Because a collection can only store information for a single location, PeopleTools maintains a set of collections (one per language code) for each search index object.

collection rule In PeopleSoft Enterprise Receivables, a user-defined rule that defines actions to take for a customer based on both the amount and the number of days past due for outstanding balances.

comm key See *communication key.*

communication key In PeopleSoft Enterprise Campus Solutions, a single code for entering a combination of communication category, communication context, communication method, communication direction, and standard letter code. Communication keys (also called *comm keys* or *speed keys*) can be created for background processes as well as for specific users.

compensation object In PeopleSoft Enterprise Incentive Management, a node within a compensation structure. Compensation objects are the building blocks that make up a compensation structure's hierarchical representation.

compensation structure In PeopleSoft Enterprise Incentive Management, a hierarchical relationship of compensation objects that represents the compensation-related relationship between the objects.

component interface A component interface is a set of application programming interfaces (APIs) that you can use to access and modify PeopleSoft Enterprise database information using a program instead of the PeopleSoft client.

condition In PeopleSoft Enterprise Receivables, occurs when there is a change of status for a customer's account, such as reaching a credit limit or exceeding a user-defined balance due.

configuration parameter catalog Used to configure an external system with PeopleSoft Enterprise. For example, a configuration parameter catalog might set up configuration and communication parameters for an external server.

configuration plan In PeopleSoft Enterprise Incentive Management, configuration plans hold allocation information for common variables (not incentive rules) and are attached to a node without a participant. Configuration plans are not processed by transactions.

constituents In PeopleSoft Enterprise Campus Solutions, friends, alumni, organizations, foundations, or other entities affiliated with the institution, and about which the institution maintains information. The constituent types delivered with PeopleSoft Enterprise Contributor Relations Solutions are based on those defined by the Council for the Advancement and Support of Education (CASE).

constraint A business policy or rule that affects how a sourcing event is awarded. There are three types of constraints: business, global, and event.

content reference Content references are pointers to content registered in the portal registry. These are typically either URLs or iScripts. Content references fall into three categories: target content, templates, and template pagelets.

context In PeopleCode, determines which buffer fields can be contextually referenced and which is the current row of data on each scroll level when a PeopleCode program is running.

In PeopleSoft Enterprise Campus Solutions, a specific instance of a comment or communication. One or more contexts are assigned to a category, which you link to

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	3C access groups so that you can assign data-entry or view-only privileges across functions. In PeopleSoft Enterprise Incentive Management, a mechanism that is used to determine the scope of a processing run. PeopleSoft Enterprise Incentive Management uses three types of context: plan, period, and run-level.
control table	Stores information that controls the processing of an application. This type of processing might be consistent throughout an organization, or it might be used only by portions of the organization for more limited sharing of data.
cost plus contract line	A rate-based contract line associated with a fee component of Award, Fixed, Incentive, or Other. Rate-based contract lines associated with a fee type of None are not considered cost-plus contract lines.
cost plus pricing	In PeopleSoft Enterprise Pricer, a pricing method that begins with cost of goods as the basis.
cost profile	A combination of a receipt cost method, a cost flow, and a deplete cost method. A profile is associated with a cost book and determines how items in that book are valued, as well as how the material movement of the item is valued for the book.
cost row	A cost transaction and amount for a set of ChartFields.
counter sale	A face-to-face customer transaction where the customer typically selects items from the storefront or picks up products that they ordered ahead of time. Customers pay for the goods at the counter and take the goods with them instead of having the goods shipped from a warehouse.
course	In PeopleSoft Enterprise Campus Solutions, a course that is offered by a school and that is typically described in a course catalog. A course has a standard syllabus and credit level; however, these may be modified at the class level. Courses can contain multiple components such as lecture, discussion, and lab. See also *class.*
course share set	In PeopleSoft Enterprise Campus Solutions, a tag that defines a set of requirement groups that can share courses. Course share sets are used in PeopleSoft Enterprise Academic Advisement.
current learning	In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's in-progress learning activities and programs.
data acquisition	In PeopleSoft Enterprise Incentive Management, the process during which raw business transactions are acquired from external source systems and fed into the operational data store (ODS).
data cube	In PeopleSoft Analytic Calculation Engine, a data cube is a container for one kind of data (such as Sales data) and works with in tandem with one or more dimensions. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and online analytical processing (OLAP) cubes in PeopleSoft Cube Manager.
data elements	Data elements, at their simplest level, define a subset of data and the rules by which to group them. For Workforce Analytics, data elements are rules that tell the system what measures to retrieve about your workforce groups.
dataset	A data grouping that enables role-based filtering and distribution of data. You can limit the range and quantity of data that is displayed for a user by associating dataset rules with user roles. The result of dataset rules is a set of data that is appropriate for the user's roles.

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delivery method In PeopleSoft Enterprise Learning Management, identifies the primary type of delivery method in which a particular learning activity is offered. Also provides default values for the learning activity, such as cost and language. This is primarily used to help learners search the catalog for the type of delivery from which they learn best. Because PeopleSoft Enterprise Learning Management is a blended learning system, it does not enforce the delivery method.

In PeopleSoft Enterprise Supply Chain Management, identifies the method by which goods are shipped to their destinations (such as truck, air, and rail). The delivery method is specified when creating shipment schedules.

delivery method type In PeopleSoft Enterprise Learning Management, identifies how learning activities can be delivered—for example, through online learning, classroom instruction, seminars, books, and so forth—in an organization. The type determines whether the delivery method includes scheduled components.

detailed business process A subset of the business process. For example, the detailed business process named Determine Cash Position is a subset of the business process called Cash Management.

dimension In PeopleSoft Analytic Calculation Engine, a dimension contains a list of one kind of data that can span various contexts, and it is a basic component of an analytic model. Within the analytic model, a dimension is attached to one or more data cubes. In PeopleSoft Cube Manager, a dimension is the most basic component of an OLAP cube and specifies the PeopleSoft metadata to be used to create the dimension's rollup structure. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and OLAP cubes in PeopleSoft Cube Manager.

direct receipt Items shipped from a warehouse or vendor to another warehouse.

direct ship Items shipped from the vendor or warehouse directly to the customer (formerly referred to as *drop ship*).

directory information tree In PeopleSoft Enterprise Directory Interface, the representation of a directory's hierarchical structure.

division In PeopleSoft Enterprise Campus Solutions, the lowest level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and Admissions for enrollment management. You can define a division level, link it to other levels, and set enrollment target numbers for it.

See also *population* and *cohort*.

document sequencing A flexible method that sequentially numbers the financial transactions (for example, bills, purchase orders, invoices, and payments) in the system for statutory reporting and for tracking commercial transaction activity.

dynamic detail tree A tree that takes its detail values—dynamic details—directly from a table in the database, rather than from a range of values that are entered by the user.

edit table A table in the database that has its own record definition, such as the Department table. As fields are entered into a PeopleSoft Enterprise application, they can be validated against an edit table to ensure data integrity throughout the system.

effective date A method of dating information in PeopleSoft Enterprise applications. You can predate information to add historical data to your system, or postdate information in order to enter it before it actually goes into effect. By using effective dates, you don't delete values; you enter a new value with a current effective date.

EIM ledger Abbreviation for *Enterprise Incentive Management ledger.* In PeopleSoft Enterprise Incentive Management, an object to handle incremental result gathering within the scope of a participant. The ledger captures a result set with all of the appropriate traces to the data origin and to the processing steps of which it is a result.

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elimination set In PeopleSoft Enterprise General Ledger, a related group of intercompany accounts that is processed during consolidations.

entry event In PeopleSoft Enterprise General Ledger, Receivables, Payables, Purchasing, and Billing, a business process that generates multiple debits and credits resulting from single transactions to produce standard, supplemental accounting entries.

equitization In PeopleSoft Enterprise General Ledger, a business process that enables parent companies to calculate the net income of subsidiaries on a monthly basis and adjust that amount to increase the investment amount and equity income amount before performing consolidations.

equity item limit In PeopleSoft Enterprise Campus Solutions, the amounts of funds set by the institution to be awarded with discretionary or gift funds. The limit could be reduced by amounts equal to such things as expected family contribution (EFC) or parent contribution. Students are packaged by Equity Item Type Groups and Related Equity Item Types. This limit can be used to assure that similar student populations are packaged equally.

event A predefined point either in the Component Processor flow or in the program flow. As each point is encountered, the event activates each component, triggering any PeopleCode program that is associated with that component and that event. Examples of events are FieldChange, SavePreChange, and RowDelete.

In PeopleSoft Enterprise Human Resources, also refers to an incident that affects benefits eligibility.

event constraints In PeopleSoft Strategic Sourcing, these constraints are associated with a specific sourcing event. Spend is tracked within the selected event.

event propagation process In PeopleSoft Enterprise Sales Incentive Management, a process that determines, through logic, the propagation of an original PeopleSoft Enterprise Incentive Management event and creates a derivative (duplicate) of the original event to be processed by other objects. PeopleSoft Enterprise Enterprise Sales Incentive Management uses this mechanism to implement splits, roll-ups, and so on. Event propagation determines who receives the credit.

exception In PeopleSoft Enterprise Receivables, an item that either is a deduction or is in dispute.

exclusive pricing In PeopleSoft Enterprise Order Management, a type of arbitration plan that is associated with a price rule. Exclusive pricing is used to price sales order transactions.

fact In PeopleSoft Enterprise applications, facts are numeric data values from fields from a source database as well as an analytic application. A fact can be anything you want to measure your business by, for example, revenue, actual, budget data, or sales numbers. A fact is stored on a fact table.

financial aid term In PeopleSoft Enterprise Campus Solutions, a combination of a period of time that the school determines as an instructional accounting period and an academic career. It is created and defined during the setup process. Only terms eligible for financial aid are set up for each financial aid career.

financial sanctions For U.S. based companies and their foreign subsidiaries, a federal regulation from the Office of Foreign Assets Control (OFAC) requires that vendors be validated against a Specially Designated Nationals (SDN) list prior to payment.

For PeopleSoft Payables, eSettlements, Cash Management, and Order to Cash, you can validate your vendors against any financial sanctions list (for example, the SDN list, a European Union list, and so on).

forecast item A logical entity with a unique set of descriptive demand and forecast data that is used as the basis to forecast demand. You create forecast items for a wide range of uses, but they ultimately represent things that you buy, sell, or use in your organization and for which you require a predictable usage.

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fund In PeopleSoft Enterprise Promotions Management, a budget that can be used to fund promotional activity. There are four funding methods: top down, fixed accrual, rolling accrual, and zero-based accrual.

gap In PeopleSoft Enterprise Campus Solutions, an artificial figure that sets aside an amount of unmet financial aid need that is not funded with Title IV funds. A gap can be used to prevent fully funding any student to conserve funds, or it can be used to preserve unmet financial aid need so that institutional funds can be awarded.

generic process type In PeopleSoft Process Scheduler, process types are identified by a generic process type. For example, the generic process type SQR includes all SQR process types, such as SQR process and SQR report.

gift table In PeopleSoft Enterprise Campus Solutions, a table or so-called *donor pyramid* describing the number and size of gifts that you expect will be needed to successfully complete the campaign in PeopleSoft Enterprise Contributor Relations. The gift table enables you to estimate the number of donors and prospects that you need at each gift level to reach the campaign goal.

GDS Abbreviation for *Global Distribution System.* Broad-based term to describe all computer reservation systems for making travel plans.

GL business unit Abbreviation for *general ledger business unit.* A unit in an organization that is an independent entity for accounting purposes. It maintains its own set of accounting books.

See also *business unit.*

GL entry template Abbreviation for *general ledger entry template.* In PeopleSoft Enterprise Campus Solutions, a template that defines how a particular item is sent to the general ledger. An item-type maps to the general ledger, and the GL entry template can involve multiple general ledger accounts. The entry to the general ledger is further controlled by high-level flags that control the summarization and the type of accounting—that is, accrual or cash.

GL Interface process Abbreviation for *General Ledger Interface process.* In PeopleSoft Enterprise Campus Solutions, a process that is used to send transactions from PeopleSoft Enterprise Student Financials to the general ledger. Item types are mapped to specific general ledger accounts, enabling transactions to move to the general ledger when the GL Interface process is run.

global constraints In PeopleSoft Strategic Sourcing, these constraints apply across multiple Strategic Sourcing business units. Spend is tracked across all of the events from the multiple Strategic Sourcing business units.

group In PeopleSoft Enterprise Billing and Receivables, a posting entity that comprises one or more transactions (items, deposits, payments, transfers, matches, or write-offs).

In PeopleSoft Enterprise Human Resources Management and Supply Chain Management, any set of records that are associated under a single name or variable to run calculations in PeopleSoft business processes. In PeopleSoft Enterprise Time and Labor, for example, employees are placed in groups for time reporting purposes.

ideal response In PeopleSoft Strategic Sourcing, a question that requires the response to match the ideal value for the bid to be considered eligible for award. If the response does not match the ideal value, you can still submit the bid, but it will be disqualified and ineligible for award.

incentive object In PeopleSoft Enterprise Incentive Management, the incentive-related objects that define and support the PeopleSoft Enterprise Incentive Management calculation process and results, such as plan templates, plans, results data, and user interaction objects.

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incentive rule In PeopleSoft Enterprise Sales Incentive Management, the commands that act on transactions and turn them into compensation. A rule is one part in the process of turning a transaction into compensation.

incur In PeopleSoft Enterprise Promotions Management, to become liable for a promotional payment. In other words, you owe that amount to a customer for promotional activities.

initiative In PeopleSoft Enterprise Campus Solutions, the basis from which all advancement plans are executed. It is an organized effort targeting a specific constituency, and it can occur over a specified period of time with specific purposes and goals. An initiative can be a campaign, an event, an organized volunteer effort, a membership drive, or any other type of effort defined by the institution. Initiatives can be multipart, and they can be related to other initiatives. This enables you to track individual parts of an initiative, as well as entire initiatives.

inquiry access In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user only to view data.

See also *update access.*

institution In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.

integration A relationship between two compatible integration points that enables communication to take place between systems. Integrations enable PeopleSoft Enterprise applications to work seamlessly with other PeopleSoft Enterprise applications or with third-party systems or software.

integration point An interface that a system uses to communicate with another PeopleSoft Enterprise application or an external application.

integration set A logical grouping of integrations that applications use for the same business purpose. For example, the integration set ADVANCED_SHIPPING_ORDER contains all of the integrations that notify a customer that an order has shipped.

item In PeopleSoft Enterprise Inventory, a tangible commodity that is stored in a business unit (shipped from a warehouse).

In PeopleSoft Enterprise Demand Planning, Inventory Policy Planning, and Supply Planning, a noninventory item that is designated as being used for planning purposes only. It can represent a family or group of inventory items. It can have a planning bill of material (BOM) or planning routing, and it can exist as a component on a planning BOM. A planning item cannot be specified on a production or engineering BOM or routing, and it cannot be used as a component in a production. The quantity on hand will never be maintained.

In PeopleSoft Enterprise Receivables, an individual receivable. An item can be an invoice, a credit memo, a debit memo, a write-off, or an adjustment.

item shuffle In PeopleSoft Enterprise Campus Solutions, a process that enables you to change a payment allocation without having to reverse the payment.

itinerary In PeopleSoft Expenses, a collection of travel reservations. Itineraries can have reservations that are selected and reserved with the travel vendor. These itineraries are not yet paid for and can be referred to as *pending reservations.* Reservations that have been paid for are referred to as *confirmed reservations.*

joint communication In PeopleSoft Enterprise Campus Solutions, one letter that is addressed jointly to two people. For example, a letter might be addressed to both Mr. Sudhir Awat and Ms. Samantha Mortelli. A relationship must be established between the two individuals in the database, and at least one of the individuals must have an ID in the database.

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keyword In PeopleSoft Enterprise Campus Solutions, a term that you link to particular elements within PeopleSoft Enterprise Student Financials, Financial Aid, and Contributor Relations. You can use keywords as search criteria that enable you to locate specific records in a search dialog box.

KPI An abbreviation for *key performance indicator.* A high-level measurement of how well an organization is doing in achieving critical success factors. This defines the data value or calculation upon which an assessment is determined.

KVI Abbreviation for *Known Value Item.* Term used for products or groups of products where the selling price cannot be reduced or increased.

landlord In PeopleSoft Real Estate Management, an entity that owns real estate and leases the real estate to tenants.

LDIF file Abbreviation for *Lightweight Directory Access Protocol (LDAP) Data Interchange Format file.* Contains discrepancies between PeopleSoft Enterprise data and directory data.

learner group In PeopleSoft Enterprise Learning Management, a group of learners who are linked to the same learning environment. Members of the learner group can share the same attributes, such as the same department or job code. Learner groups are used to control access to and enrollment in learning activities and programs. They are also used to perform group enrollments and mass enrollments in the back office.

learning components In PeopleSoft Enterprise Learning Management, the foundational building blocks of learning activities. PeopleSoft Enterprise Learning Management supports six basic types of learning components: web-based, session, webcast, test, survey, and assignment. One or more of these learning component types compose a single learning activity.

learning environment In PeopleSoft Enterprise Learning Management, identifies a set of categories and catalog items that can be made available to learner groups. Also defines the default values that are assigned to the learning activities and programs that are created within a particular learning environment. Learning environments provide a way to partition the catalog so that learners see only those items that are relevant to them.

learning history In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's completed learning activities and programs.

lease In PeopleSoft Real Estate Management, a legally binding agreement between a landlord and a tenant, where the tenant rents all or part of a physical property from the landlord.

lease abstract In PeopleSoft Real Estate Management, a summarized version of the complete lease contract with only the important terms. The lease abstract usually fits on one page and does not include legal terminology.

ledger mapping You use ledger mapping to relate expense data from general ledger accounts to resource objects. Multiple ledger line items can be mapped to one or more resource IDs. You can also use ledger mapping to map dollar amounts (referred to as *rates*) to business units. You can map the amounts in two different ways: an actual amount that represents actual costs of the accounting period, or a budgeted amount that can be used to calculate the capacity rates as well as budgeted model results. In PeopleSoft Enterprise Warehouse, you can map general ledger accounts to the EW Ledger table.

library section In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan (or template) and that is available for other plans to share. Changes to a library section are reflected in all plans that use it.

line In PeopleSoft Strategic Sourcing, an individual item or service upon which there can be a bid.

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linked section In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan template but appears in a plan. Changes to linked sections propagate to plans using that section.

linked variable In PeopleSoft Enterprise Incentive Management, a variable that is defined and maintained in a plan template and that also appears in a plan. Changes to linked variables propagate to plans using that variable.

LMS Abbreviation for *learning management system.* In PeopleSoft Enterprise Campus Solutions, LMS is a PeopleSoft Enterprise Student Records feature that provides a common set of interoperability standards that enable the sharing of instructional content and data between learning and administrative environments.

load In PeopleSoft Enterprise Inventory, identifies a group of goods that are shipped together. Load management is a feature of PeopleSoft Enterprise Inventory that is used to track the weight, the volume, and the destination of a shipment.

local functionality In PeopleSoft Enterprise HRMS, the set of information that is available for a specific country. You can access this information when you click the appropriate country flag in the global window, or when you access it by a local country menu.

location Locations enable you to indicate the different types of addresses—for a company, for example, one address to receive bills, another for shipping, a third for postal deliveries, and a separate street address. Each address has a different location number. The primary location—indicated by a *1*—is the address you use most often and may be different from the main address.

logistical task In PeopleSoft Enterprise Services Procurement, an administrative task that is related to hiring a service provider. Logistical tasks are linked to the service type on the work order so that different types of services can have different logistical tasks. Logistical tasks include both preapproval tasks (such as assigning a new badge or ordering a new laptop) and postapproval tasks (such as scheduling orientation or setting up the service provider email). The logistical tasks can be mandatory or optional. Mandatory preapproval tasks must be completed before the work order is approved. Mandatory postapproval tasks, on the other hand, must be completed before a work order is released to a service provider.

market template In PeopleSoft Enterprise Incentive Management, additional functionality that is specific to a given market or industry and is built on top of a product category.

mass change In PeopleSoft Enterprise Campus Solutions, mass change is a SQL generator that can be used to create specialized functionality. Using mass change, you can set up a series of Insert, Update, or Delete SQL statements to perform business functions that are specific to the institution.

See also *3C engine.*

match group In PeopleSoft Enterprise Receivables, a group of receivables items and matching offset items. The system creates match groups by using user-defined matching criteria for selected field values.

MCF server Abbreviation for *PeopleSoft MultiChannel Framework server.* Comprises the universal queue server and the MCF log server. Both processes are started when *MCF Servers* is selected in an application server domain configuration.

merchandising activity In PeopleSoft Enterprise Promotions Management, a specific discount type that is associated with a trade promotion (such as off-invoice, billback or rebate, or lump-sum payment) that defines the performance that is required to receive the discount. In the industry, you may know this as an offer, a discount, a merchandising event, an event, or a tactic.

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meta-SQL Meta-SQL constructs expand into platform-specific SQL substrings. They are used in functions that pass SQL strings, such as in SQL objects, the SQLExec function, and PeopleSoft Application Engine programs.

metastring Metastrings are special expressions included in SQL string literals. The metastrings, prefixed with a percent (%) symbol, are included directly in the string literals. They expand at run time into an appropriate substring for the current database platform.

multibook In PeopleSoft Enterprise General Ledger, multiple ledgers having multiple-base currencies that are defined for a business unit, with the option to post a single transaction to all base currencies (all ledgers) or to only one of those base currencies (ledgers).

multicurrency The ability to process transactions in a currency other than the business unit's base currency.

national allowance In PeopleSoft Enterprise Promotions Management, a promotion at the corporate level that is funded by nondiscretionary dollars. In the industry, you may know this as a national promotion, a corporate promotion, or a corporate discount.

NDP Abbreviation for *Non-Discountable Products.* Term used for products or groups of products where the selling price cannot be decreased.

need In PeopleSoft Enterprise Campus Solutions, the difference between the cost of attendance (COA) and the expected family contribution (EFC). It is the gap between the cost of attending the school and the student's resources. The financial aid package is based on the amount of financial need. The process of determining a student's need is called *need analysis.*

node-oriented tree A tree that is based on a detail structure, but the detail values are not used.

Optimization Engine A PeopleTools component that Strategic Sourcing leverages to evaluate bids and determine an ideal award allocation. The award recommendation is based on maximizing the value while adhering to purchasing and company objectives and constraints.

pagelet Each block of content on the home page is called a pagelet. These pagelets display summary information within a small rectangular area on the page. The pagelet provide users with a snapshot of their most relevant PeopleSoft Enterprise and non-PeopleSoft Enterprise content.

participant In PeopleSoft Enterprise Incentive Management, participants are recipients of the incentive compensation calculation process.

participant object Each participant object may be related to one or more compensation objects.

See also *compensation object.*

partner A company that supplies products or services that are resold or purchased by the enterprise.

pay cycle In PeopleSoft Enterprise Payables, a set of rules that define the criteria by which it should select scheduled payments for payment creation.

payment shuffle In PeopleSoft Enterprise Campus Solutions, a process allowing payments that have been previously posted to a student's account to be automatically reapplied when a higher priority payment is posted or the payment allocation definition is changed.

pending item In PeopleSoft Enterprise Receivables, an individual receivable (such as an invoice, a credit memo, or a write-off) that has been entered in or created by the system, but hasn't been posted.

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PeopleCode PeopleCode is a proprietary language, executed by the PeopleSoft Enterprise component processor. PeopleCode generates results based on existing data or user actions. By using various tools provided with PeopleTools, external services are available to all PeopleSoft Enterprise applications wherever PeopleCode can be executed.

PeopleCode event See *event.*

PeopleSoft Pure Internet Architecture The fundamental architecture on which PeopleSoft 8 applications are constructed, consisting of a relational database management system (RDBMS), an application server, a web server, and a browser.

performance measurement In PeopleSoft Enterprise Incentive Management, a variable used to store data (similar to an aggregator, but without a predefined formula) within the scope of an incentive plan. Performance measures are associated with a plan calendar, territory, and participant. Performance measurements are used for quota calculation and reporting.

period context In PeopleSoft Enterprise Incentive Management, because a participant typically uses the same compensation plan for multiple periods, the period context associates a plan context with a specific calendar period and fiscal year. The period context references the associated plan context, thus forming a chain. Each plan context has a corresponding set of period contexts.

person of interest A person about whom the organization maintains information but who is not part of the workforce.

personal portfolio In PeopleSoft Enterprise Campus Solutions, the user-accessible menu item that contains an individual's name, address, telephone number, and other personal information.

phase A level 1 task, meaning that if a task had subtasks, the level 1 task would be considered the phase.

pickup quantity The product quantity that the customer is taking with them from the counter sales environment.

plan In PeopleSoft Enterprise Sales Incentive Management, a collection of allocation rules, variables, steps, sections, and incentive rules that instruct the PeopleSoft Enterprise Incentive Management engine in how to process transactions.

plan context In PeopleSoft Enterprise Incentive Management, correlates a participant with the compensation plan and node to which the participant is assigned, enabling the PeopleSoft Enterprise Incentive Management system to find anything that is associated with the node and that is required to perform compensation processing. Each participant, node, and plan combination represents a unique plan context—if three participants are on a compensation structure, each has a different plan context. Configuration plans are identified by plan contexts and are associated with the participants that refer to them.

plan template In PeopleSoft Enterprise Incentive Management, the base from which a plan is created. A plan template contains common sections and variables that are inherited by all plans that are created from the template. A template may contain steps and sections that are not visible in the plan definition.

planned learning In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's planned learning activities and programs.

planning instance In PeopleSoft Enterprise Supply Planning, a set of data (business units, items, supplies, and demands) constituting the inputs and outputs of a supply plan.

population In PeopleSoft Enterprise Campus Solutions, the middle level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and

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	Admissions for enrollment management. You can define a population level, link it to other levels, and set enrollment target numbers for it. See also *division* and *cohort.*
portal registry	In PeopleSoft Enterprise applications, the portal registry is a tree-like structure in which content references are organized, classified, and registered. It is a central repository that defines both the structure and content of a portal through a hierarchical, tree-like structure of folders useful for organizing and securing content references.
predecessor task	A task that you must complete before you start another task.
price breaks	In PeopleSoft Strategic Sourcing, a price discount or surcharge that a bidder may apply based on the quantity awarded.
price components	In PeopleSoft Strategic Sourcing, the various components, such as material costs, labor costs, shipping costs, and so on that make up the overall bid price.
price list	Enables you to select products and conditions for which the price list applies to a transaction. During a transaction, the system either determines the product price based on the predefined search hierarchy for the transaction or uses the product's lowest price on any associated, active price lists. This price is used as the basis for any further discounts and surcharges.
price rule	The conditions that must be met for adjustments to be applied to the base price. Multiple rules can apply when conditions of each rule are met.
price rule conditions	Conditions that select the price-by fields, the values for the price-by fields, and the operator that determines how the price-by fields relate to the transaction.
price rule key	The fields that are available to define price rule conditions (which are used to match a transaction) on the price rule.
primacy number	In PeopleSoft Enterprise Campus Solutions, a number that the system uses to prioritize financial aid applications when students are enrolled in multiple academic careers and academic programs at the same time. The Consolidate Academic Statistics process uses the primacy number indicated for both the career and program at the institutional level to determine a student's primary career and program. The system also uses the number to determine the primary student attribute value that is used when you extract data to report on cohorts. The lowest number takes precedence.
primary name type	In PeopleSoft Enterprise Campus Solutions, the name type that is used to link the name stored at the highest level within the system to the lower-level set of names that an individual provides.
process category	In PeopleSoft Process Scheduler, processes that are grouped for server load balancing and prioritization.
process group	In PeopleSoft Enterprise Financials, a group of application processes (performed in a defined order) that users can initiate in real time, directly from a transaction entry page.
process definition	Process definitions define each run request.
process instance	A unique number that identifies each process request. This value is automatically incremented and assigned to each requested process when the process is submitted to run.
process job	You can link process definitions into a job request and process each request serially or in parallel. You can also initiate subsequent processes based on the return code from each prior request.

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process request A single run request, such as a Structured Query Report (SQR), a COBOL or Application Engine program, or a Crystal report that you run through PeopleSoft Process Scheduler.

process run control A PeopleTools variable used to retain PeopleSoft Process Scheduler values needed at runtime for all requests that reference a run control ID. Do not confuse these with application run controls, which may be defined with the same run control ID, but only contain information specific to a given application process request.

product A PeopleSoft Enterprise or third-party product. PeopleSoft organizes its software products into product families and product lines. Interactive Services Repository contains information about every release of every product that PeopleSoft sells, as well as products from certified third-party companies. These products appear with the product name and release number.

product adds The pricing functionality where buying product A gets product B for free or at a price (formerly referred to as *giveaways*).

product bidding In PeopleSoft Strategic Sourcing, the placing of a bid on behalf of the bidder, up or down to the bidder's specified amount, so that the bidder can be the leading bidder.

product category In PeopleSoft Enterprise Incentive Management, indicates an application in the PeopleSoft Enterprise Incentive Management suite of products. Each transaction in the PeopleSoft Enterprise Incentive Management system is associated with a product category.

product family A group of products that are related by common functionality. The family names that can be searched using Interactive Service Repository are Oracle's PeopleSoft Enterprise, PeopleSoft EnterpriseOne, PeopleSoft World, and third-party, certified partners.

product line The name of a PeopleSoft Enterprise product line or the company name of a third-party certified partner. Integration Services Repository enables you to search for integration points by product line.

programs In PeopleSoft Enterprise Learning Management, a high-level grouping that guides the learner along a specific learning path through sections of catalog items. PeopleSoft Enterprise Learning Systems provides two types of programs—curricula and certifications.

progress log In PeopleSoft Enterprise Services Procurement, tracks deliverable-based projects. This is similar to the time sheet in function and process. The service provider contact uses the progress log to record and submit progress on deliverables. The progress can be logged by the activity that is performed, by the percentage of work that is completed, or by the completion of milestone activities that are defined for the project.

project transaction In PeopleSoft Enterprise Project Costing, an individual transaction line that represents a cost, time, budget, or other transaction row.

promotion In PeopleSoft Enterprise Promotions Management, a trade promotion, which is typically funded from trade dollars and used by consumer products manufacturers to increase sales volume.

prospects In PeopleSoft Enterprise Campus Solutions, students who are interested in applying to the institution.

In PeopleSoft Enterprise Contributor Relations, individuals and organizations that are most likely to make substantial financial commitments or other types of commitments to the institution.

proxy bidding In PeopleSoft Strategic Sourcing, the placing of a bid on behalf of the bidder, up or down to the bidder's specified amount, so that the bidder can be the leading bidder.

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publishing In PeopleSoft Enterprise Incentive Management, a stage in processing that makes incentive-related results available to participants.

rating components In PeopleSoft Enterprise Campus Solutions, variables used with the Equation Editor to retrieve specified populations.

record group A set of logically and functionally related control tables and views. Record groups help enable TableSet sharing, which eliminates redundant data entry. Record groups ensure that TableSet sharing is applied consistently across all related tables and views.

record input VAT flag Abbreviation for *record input value-added tax flag.* Within PeopleSoft Enterprise Purchasing, Payables, and General Ledger, this flag indicates that you are recording input VAT on the transaction. This flag, in conjunction with the record output VAT flag, is used to determine the accounting entries created for a transaction and to determine how a transaction is reported on the VAT return. For all cases within Purchasing and Payables where VAT information is tracked on a transaction, this flag is set to Yes. This flag is not used in PeopleSoft Enterprise Order Management, Billing, or Receivables, where it is assumed that you are always recording only output VAT, or in PeopleSoft Enterprise Expenses, where it is assumed that you are always recording only input VAT.

record output VAT flag Abbreviation for *record output value-added tax flag.*

See *record input VAT flag.*

recname The name of a record that is used to determine the associated field to match a value or set of values.

recognition In PeopleSoft Enterprise Campus Solutions, the recognition type indicates whether the PeopleSoft Enterprise Contributor Relations donor is the primary donor of a commitment or shares the credit for a donation. Primary donors receive hard credit that must total 100 percent. Donors that share the credit are given soft credit. Institutions can also define other share recognition-type values such as memo credit or vehicle credit.

reference data In PeopleSoft Enterprise Sales Incentive Management, system objects that represent the sales organization, such as territories, participants, products, customers, and channels.

reference object In PeopleSoft Enterprise Incentive Management, this dimension-type object further defines the business. Reference objects can have their own hierarchy (for example, product tree, customer tree, industry tree, and geography tree).

reference transaction In commitment control, a reference transaction is a source transaction that is referenced by a higher-level (and usually later) source transaction, in order to automatically reverse all or part of the referenced transaction's budget-checked amount. This avoids duplicate postings during the sequential entry of the transaction at different commitment levels. For example, the amount of an encumbrance transaction (such as a purchase order) will, when checked and recorded against a budget, cause the system to concurrently reference and relieve all or part of the amount of a corresponding pre-encumbrance transaction, such as a purchase requisition.

regional sourcing In PeopleSoft Enterprise Purchasing, provides the infrastructure to maintain, display, and select an appropriate vendor and vendor pricing structure that is based on a regional sourcing model where the multiple ship to locations are grouped. Sourcing may occur at a level higher than the ship to location.

relationship object In PeopleSoft Enterprise Incentive Management, these objects further define a compensation structure to resolve transactions by establishing associations between compensation objects and business objects.

remote data source data Data that is extracted from a separate database and migrated into the local database.

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REN server Abbreviation for *real-time event notification server* in PeopleSoft MultiChannel Framework.

requester In PeopleSoft Enterprise eSettlements, an individual who requests goods or services and whose ID appears on the various procurement pages that reference purchase orders.

reservations In PeopleSoft Expenses, travel reservations that have been placed with the travel vendor.

reversal indicator In PeopleSoft Enterprise Campus Solutions, an indicator that denotes when a particular payment has been reversed, usually because of insufficient funds.

RFI event In PeopleSoft Strategic Sourcing, a request for information.

RFx event In PeopleSoft Strategic Sourcing, a request for proposal or request for a quote event when bidders submit their overall best bids and during which bidders do not actively compete against one another.

role Describes how people fit into PeopleSoft Workflow. A role is a class of users who perform the same type of work, such as clerks or managers. Your business rules typically specify what user role needs to do an activity.

role user A PeopleSoft Workflow user. A person's role user ID serves much the same purpose as a user ID does in other parts of the system. PeopleSoft Workflow uses role user IDs to determine how to route worklist items to users (through an email address, for example) and to track the roles that users play in the workflow. Role users do not need PeopleSoft user IDs.

roll up In a tree, to roll up is to total sums based on the information hierarchy.

run control A run control is a type of online page that is used to begin a process, such as the batch processing of a payroll run. Run control pages generally start a program that manipulates data.

run control ID A unique ID to associate each user with his or her own run control table entries.

run-level context In PeopleSoft Enterprise Incentive Management, associates a particular run (and batch ID) with a period context and plan context. Every plan context that participates in a run has a separate run-level context. Because a run cannot span periods, only one run-level context is associated with each plan context.

saved bid In PeopleSoft Strategic Sourcing, a bid that has been created but not submitted. Only submitted bids are eligible for award.

score In PeopleSoft Strategic Sourcing, the numerical sum of answers (percentages) to bid factors on an event. Scores appear only to bidders on auction events.

SCP SCBM XML message Abbreviation for *Supply Chain Planning Supply Chain Business Modeler Extensible Markup Language message.* Supply Chain Business Modeler uses XML as the format for all data that it imports and exports.

search query You use this set of objects to pass a query string and operators to the search engine. The search index returns a set of matching results with keys to the source documents.

search/match In PeopleSoft Enterprise Campus Solutions and PeopleSoft Enterprise Human Resources Management Solutions, a feature that enables you to search for and identify duplicate records in the database.

seasonal address In PeopleSoft Enterprise Campus Solutions, an address that recurs for the same length of time at the same time of year each year until adjusted or deleted.

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section In PeopleSoft Enterprise Incentive Management, a collection of incentive rules that operate on transactions of a specific type. Sections enable plans to be segmented to process logical events in different sections.

security event In commitment control, security events trigger security authorization checking, such as budget entries, transfers, and adjustments; exception overrides and notifications; and inquiries.

sell event In PeopleSoft Strategic Sourcing, for event creators, the sale of goods or services most typically associated with forward auctions. For bidders, the purchase of goods or services.

serial genealogy In PeopleSoft Enterprise Manufacturing, the ability to track the composition of a specific, serial-controlled item.

serial in production In PeopleSoft Enterprise Manufacturing, enables the tracing of serial information for manufactured items. This is maintained in the Item Master record.

service impact In PeopleSoft Enterprise Campus Solutions, the resulting action triggered by a service indicator. For example, a service indicator that reflects nonpayment of account balances by a student might result in a service impact that prohibits registration for classes.

service indicator In PeopleSoft Enterprise Campus Solutions, indicates services that may be either withheld or provided to an individual. Negative service indicators indicate holds that prevent the individual from receiving specified services, such as check-cashing privileges or registration for classes. Positive service indicators designate special services that are provided to the individual, such as front-of-line service or special services for disabled students.

session In PeopleSoft Enterprise Campus Solutions, time elements that subdivide a term into multiple time periods during which classes are offered. In PeopleSoft Enterprise Contributor Relations, a session is the means of validating gift, pledge, membership, or adjustment data entry . It controls access to the data entered by a specific user ID. Sessions are balanced, queued, and then posted to the institution's financial system. Sessions must be posted to enter a matching gift or pledge payment, to make an adjustment, or to process giving clubs or acknowledgements.

In PeopleSoft Enterprise Learning Management, a single meeting day of an activity (that is, the period of time between start and finish times within a day). The session stores the specific date, location, meeting time, and instructor. Sessions are used for scheduled training.

session template In PeopleSoft Enterprise Learning Management, enables you to set up common activity characteristics that may be reused while scheduling a PeopleSoft Enterprise Learning Management activity—characteristics such as days of the week, start and end times, facility and room assignments, instructors, and equipment. A session pattern template can be attached to an activity that is being scheduled. Attaching a template to an activity causes all of the default template information to populate the activity session pattern.

setup relationship In PeopleSoft Enterprise Incentive Management, a relationship object type that associates a configuration plan with any structure node.

share driver expression In PeopleSoft Enterprise Business Planning, a named planning method similar to a driver expression, but which you can set up globally for shared use within a single planning application or to be shared between multiple planning applications through PeopleSoft Enterprise Warehouse.

short-term customer A customer not in the system who is entered during sales order entry using a template.

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single signon With single signon, users can, after being authenticated by a PeopleSoft Enterprise application server, access a second PeopleSoft Enterprise application server without entering a user ID or password.

source key process In PeopleSoft Enterprise Campus Solutions, a process that relates a particular transaction to the source of the charge or financial aid. On selected pages, you can drill down into particular charges.

source transaction In commitment control, any transaction generated in a PeopleSoft Enterprise or third-party application that is integrated with commitment control and which can be checked against commitment control budgets. For example, a pre-encumbrance, encumbrance, expenditure, recognized revenue, or collected revenue transaction.

sourcing objective For constraints, the option to designate whether a business rule is required (mandatory) or is only recommended (target).

speed key See *communication key.*

SpeedChart A user-defined shorthand key that designates several ChartKeys to be used for voucher entry. Percentages can optionally be related to each ChartKey in a SpeedChart definition.

SpeedType A code representing a combination of ChartField values. SpeedTypes simplify the entry of ChartFields commonly used together.

staging A method of consolidating selected partner offerings with the offerings from the enterprise's other partners.

standard letter code In PeopleSoft Enterprise Campus Solutions, a standard letter code used to identify each letter template available for use in mail merge functions. Every letter generated in the system must have a standard letter code identification.

statutory account Account required by a regulatory authority for recording and reporting financial results. In PeopleSoft Enterprise, this is equivalent to the Alternate Account (ALTACCT) ChartField.

step In PeopleSoft Enterprise Sales Incentive Management, a collection of sections in a plan. Each step corresponds to a step in the job run.

storage level In PeopleSoft Enterprise Inventory, identifies the level of a material storage location. Material storage locations are made up of a business unit, a storage area, and a storage level. You can set up to four storage levels.

subcustomer qualifier A value that groups customers into a division for which you can generate detailed history, aging, events, and profiles.

Summary ChartField You use summary ChartFields to create summary ledgers that roll up detail amounts based on specific detail values or on selected tree nodes. When detail values are summarized using tree nodes, summary ChartFields must be used in the summary ledger data record to accommodate the maximum length of a node name (20 characters).

summary ledger An accounting feature used primarily in allocations, inquiries, and PS/nVision reporting to store combined account balances from detail ledgers. Summary ledgers increase speed and efficiency of reporting by eliminating the need to summarize detail ledger balances each time a report is requested. Instead, detail balances are summarized in a background process according to user-specified criteria and stored on summary ledgers. The summary ledgers are then accessed directly for reporting.

summary time period In PeopleSoft Enterprise Business Planning, any time period (other than a base time period) that is an aggregate of other time periods, including other summary time periods and base time periods, such as quarter and year total.

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summary tree A tree used to roll up accounts for each type of report in summary ledgers. Summary trees enable you to define trees on trees. In a summary tree, the detail values are really nodes on a detail tree or another summary tree (known as the *basis* tree). A summary tree structure specifies the details on which the summary trees are to be built.

syndicate To distribute a production version of the enterprise catalog to partners.

system function In PeopleSoft Enterprise Receivables, an activity that defines how the system generates accounting entries for the general ledger.

system source The system source identifies the source of a transaction row in the database. For example, a transaction that originates in PeopleSoft Enterprise Expenses contains a system source code of BEX (Expenses Batch).

When PeopleSoft Enterprise Project Costing prices the source transaction row for billing, the system creates a new row with a system source code of PRP (Project Costing pricing), which represents the system source of the new row. System source codes can identify sources that are internal or external to the PeopleSoft Enterprise system. For example, processes that import data from Microsoft Project into PeopleSoft Enterprise applications create transaction rows with a source code of MSP (Microsoft Project).

TableSet A means of sharing similar sets of values in control tables, where the actual data values are different but the structure of the tables is the same.

TableSet sharing Shared data that is stored in many tables that are based on the same TableSets. Tables that use TableSet sharing contain the SETID field as an additional key or unique identifier.

target currency The value of the entry currency or currencies converted to a single currency for budget viewing and inquiry purposes.

task A deliverable item on the detailed sourcing plan.

tax authority In PeopleSoft Enterprise Campus Solutions, a user-defined element that combines a description and percentage of a tax with an account type, an item type, and a service impact.

template A template is HTML code associated with a web page. It defines the layout of the page and also where to get HTML for each part of the page. In PeopleSoft Enterprise, you use templates to build a page by combining HTML from a number of sources. For a PeopleSoft Enterprise portal, all templates must be registered in the portal registry, and each content reference must be assigned a template.

tenant In PeopleSoft Real Estate Management, an entity that leases real estate from a landlord.

territory In PeopleSoft Enterprise Sales Incentive Management, hierarchical relationships of business objects, including regions, products, customers, industries, and participants.

third party A company or vendor that has extensive PeopleSoft Enterprise product knowledge and whose products and integrations have been certified and are compatible with PeopleSoft Enterprise applications.

tiered pricing Enables different portions of a schedule to be priced differently from one another.

time span A relative period, such as year-to-date or current period, that various PeopleSoft General Ledger functions and reports can use when a rolling time frame, rather than a specific date, is required.

total cost In PeopleSoft Strategic Sourcing, the estimated dollar cost (sum of real price dollars and potential “soft” or non-price dollars) of a particular award approach.

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travel group In PeopleSoft Expenses, the organization's travel rules and polices that are associated with specific business units, departments, or employees. You must define at least one travel group when setting up the PeopleSoft Expenses travel feature. You must define and associate at least one travel group with a travel vendor.

travel partner In PeopleSoft Expenses, the travel vendor with which the organization has a contractual relationship.

3C engine Abbreviation for *Communications, Checklists, and Comments engine.* In PeopleSoft Enterprise Campus Solutions, the 3C engine enables you to automate business processes that involve additions, deletions, and updates to communications, checklists, and comments. You define events and triggers to engage the engine, which runs the mass change and processes the 3C records (for individuals or organizations) immediately and automatically from within business processes.

3C group Abbreviation for *Communications, Checklists, and Comments group.* In PeopleSoft Enterprise Campus Solutions, a method of assigning or restricting access privileges. A 3C group enables you to group specific communication categories, checklist codes, and comment categories. You can then assign the group inquiry-only access or update access, as appropriate.

trace usage In PeopleSoft Enterprise Manufacturing, enables the control of which components will be traced during the manufacturing process. Serial- and lot-controlled components can be traced. This is maintained in the Item Master record.

transaction allocation In PeopleSoft Enterprise Incentive Management, the process of identifying the owner of a transaction. When a raw transaction from a batch is allocated to a plan context, the transaction is duplicated in the PeopleSoft Enterprise Incentive Management transaction tables.

transaction state In PeopleSoft Enterprise Incentive Management, a value assigned by an incentive rule to a transaction. Transaction states enable sections to process only transactions that are at a specific stage in system processing. After being successfully processed, transactions may be promoted to the next transaction state and "picked up" by a different section for further processing.

Translate table A system edit table that stores codes and translate values for the miscellaneous fields in the database that do not warrant individual edit tables of their own.

tree The graphical hierarchy in PeopleSoft Enterprise systems that displays the relationship between all accounting units (for example, corporate divisions, projects, reporting groups, account numbers) and determines roll-up hierarchies.

tuition lock In PeopleSoft Enterprise Campus Solutions, a feature in the Tuition Calculation process that enables you to specify a point in a term after which students are charged a minimum (or *locked*) fee amount. Students are charged the locked fee amount even if they later drop classes and take less than the normal load level for that tuition charge.

unclaimed transaction In PeopleSoft Enterprise Incentive Management, a transaction that is not claimed by a node or participant after the allocation process has completed, usually due to missing or incomplete data. Unclaimed transactions may be manually assigned to the appropriate node or participant by a compensation administrator.

universal navigation header Every PeopleSoft Enterprise portal includes the universal navigation header, intended to appear at the top of every page as long as the user is signed on to the portal. In addition to providing access to the standard navigation buttons (like Home, Favorites, and signoff) the universal navigation header can also display a welcome message for each user.

update access In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user to edit and update data.

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	See also *inquiry access*.
user interaction object	In PeopleSoft Enterprise Sales Incentive Management, used to define the reporting components and reports that a participant can access in his or her context. All PeopleSoft Enterprise Sales Incentive Management user interface objects and reports are registered as user interaction objects. User interaction objects can be linked to a compensation structure node through a compensation relationship object (individually or as groups).
variable	In PeopleSoft Enterprise Sales Incentive Management, the intermediate results of calculations. Variables hold the calculation results and are then inputs to other calculations. Variables can be plan variables that persist beyond the run of an engine or local variables that exist only during the processing of a section.
VAT exception	Abbreviation for *value-added tax exception.* A temporary or permanent exemption from paying VAT that is granted to an organization. This terms refers to both VAT exoneration and VAT suspension.
VAT exempt	Abbreviation for *value-added tax exempt.* Describes goods and services that are not subject to VAT. Organizations that supply exempt goods or services are unable to recover the related input VAT. This is also referred to as exempt without recovery.
VAT exoneration	Abbreviation for *value-added tax exoneration.* An organization that has been granted a permanent exemption from paying VAT due to the nature of that organization.
VAT suspension	Abbreviation for *value-added tax suspension.* An organization that has been granted a temporary exemption from paying VAT.
warehouse	A PeopleSoft Enterprise data warehouse that consists of predefined ETL maps, data warehouse tools, and DataMart definitions.
weight or weighting	In PeopleSoft Strategic Sourcing, how important the line or question is to the overall event. Weighting is used to score and analyze bids. For RFx and RFI events, weightings may or may not appear to bidders.
work order	In PeopleSoft Enterprise Services Procurement, enables an enterprise to create resource-based and deliverable-based transactions that specify the basic terms and conditions for hiring a specific service provider. When a service provider is hired, the service provider logs time or progress against the work order.
worker	A person who is part of the workforce; an employee or a contingent worker.
workset	A group of people and organizations that are linked together as a set. You can use worksets to simultaneously retrieve the data for a group of people and organizations and work with the information on a single page.
worksheet	A way of presenting data through a PeopleSoft Enterprise Business Analysis Modeler interface that enables users to do in-depth analysis using pivoting tables, charts, notes, and history information.
worklist	The automated to-do list that PeopleSoft Workflow creates. From the worklist, you can directly access the pages you need to perform the next action, and then return to the worklist for another item.
XML link	The XML Linking language enables you to insert elements into XML documents to create a links between resources.
XML schema	An XML definition that standardizes the representation of application messages, component interfaces, or business interlinks.
XPI	Abbreviation for *eXtended Process Integrator.* PeopleSoft XPI is the integration infrastructure that enables both real-time and batch communication with JD Edwards EnterpriseOne applications.

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yield by operation In PeopleSoft Enterprise Manufacturing, the ability to plan the loss of a manufactured item on an operation-by-operation basis.

zero-rated VAT Abbreviation for *zero-rated value-added tax.* A VAT transaction with a VAT code that has a tax percent of zero. Used to track taxable VAT activity where no actual VAT amount is charged. Organizations that supply zero-rated goods and services can still recover the related input VAT. This is also referred to as exempt with recovery.

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