



**Combined Annual Limits & New Calculation Rules**

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**Introduction**

- We will review the functionality for combined annual limits processing introduced in Banner HR 8.0
- Participants will learn how to implement combined deduction limit processing in Banner HR

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**Our Agenda**

- Introduction to combined limit processing
  - What is it?
  - Comparison to prior Banner versions
- Setting up combined deduction limits – rule forms
  - PTRBDCL
  - PTRBDCA
- Enrolling an employee in a combined deduction limit rule code
  - PDABDSU
  - PDAEDN
- Processing payroll with combined deduction limits
- Converting existing benefit/deduction codes and employee records

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**Introduction to Combined Limit Processing**

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**Introduction to Combined Limit Processing**

- Combined limit processing prevents an employee from exceeding regulatory limits on contributions to qualified plans, such as 403(b) and 401(k) retirement plans
- Extends functionality that has previously existed in Banner HR
  - Associated benefits and deductions block on PTRBDCA
  - Limits set on individual PDAEDN records, or on individual benefit deduction codes (if using a plan code)
  - Updates to annual limits were cumbersome
  - No easy way to implement higher catch-up limits for employees over age 50 or with more than 15 years of service

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**Introduction to Combined Limit Processing**

- Combined limit processing enhances previous functionality
  - Limits are set on a rule form and are easily updated for all participants in a retirement plan through a rule form change
  - Overrides for employees who are over age 50, or have over 15 years of service, are a one click change on PDAEDN or PDABDSU
  - Overrides for employees who need a different limit from any of the combined limit rules are possible by directly inputting annual limits on PDAEDN or PDABDSU
    - Used for employees who are approaching the maximum catch-up contributions and cannot contribute a full catch-up contribution in the current year

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**Introduction to Combined Limit Processing**

- **Changes made to Banner HR (implemented in version 8.0)**
  - A new rule form, PTRBDCL, was added
  - Three new calculation rules added to PTRBDCA
  - Fields were added to PTRBDCA, PDAEDN, PDABDSU, PTRBDMC and PEIDHIS
  - Programming changes were made to PHPPROF, PHPCALC and PDPBDMC

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**Setting Up Combined Deduction Limits**

**Setting Up Combined Deduction Limits**

1. **Combined limit rule codes and their associated annual limits must be established on the new Benefit/ Deduction Combined Limit Rule Form (PTRBDCL)**
  - Employee limit
  - Employer limit
  - Combined limit
  - Applicable gross limit

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## Setting Up Combined Deduction Limits

- Benefit/Deduction Combined Limit Rule Form (PTRBDCL)

## Setting Up Combined Deduction Limits

- Benefit/deduction codes are established on the Benefit/Deduction Rule Form (PTRBDCA)

- Three new calculation rules have been established
  - 16 – Flat amount by employee with employer share
  - 28 – Percent of gross by employee with employer share
  - 29 – Percent of gross (each plan) with combined limits and employer match

## Setting Up Combined Deduction Limits

- Benefit/Deduction Rule Form (PTRBDCA) Calculation Rule Matrix

Calculation Rule		Employee Deduction Form (PDAEDEN)					Benefit/Deduction Rule Form (PTRBDCA)			
Code	Description	Amount 1	Amount 2	Amount 3	Amount 4	Option 1	Amount 1	Amount 2	Amount 3	Amount 4
16	Flat Amount by Employee with Employer Match	Employee Deduction Amount	Employer Match Amount	Employee Deduction Annual Limit	Employer Match Annual Limit					
28	Percent of Gross by Employee with Employer Match	Employee Deduction Percent of Gross Pay	Employer Match Percent of Gross Pay	Employee Deduction Annual Limit	Employer Match Annual Limit					
29	Percent of Gross Each Plan with Combined Limit and Employer Match					Plan Code	Employee Deduction Percent of Gross Pay	Employer Match Percent of Gross Pay	Employee Deduction Annual Limit	Employer Match Annual Limit

Options 2-5 omitted in this matrix are not used with calculation rules 16, 28, and 29.









**Processing Payroll with Combined Limit Rule Codes**

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**Processing Payroll with Combined Limit Rule Codes**

- Payroll process is mostly unchanged
- The Pay Period Proof Process (PHPPROF) will verify that all benefit/deduction codes in a single combined limit group for an employee have the same combined limit rule code on PDAEDN
  - If an employee has mismatched combined limit rule codes, PHPPROF will set that employee's timesheet(s) to Disposition 15, and the employee will appear on the Payroll Error Report (PHRDERR)

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**Processing Payroll with Combined Limit Rule Codes**

- The Payroll Calculation Process (PHPCALC) will check both the current amounts and the year-to-date total amounts against the combined limit rule code
  - If the current and year-to-date amounts are less than the combined limit rule code amounts, the full employee and/or employer amounts will be taken

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### Converting Existing Benefit/Deduction Code Records

- New benefit/deduction codes may be required
  - Changes to the calculation rule, combined limit group, and options and amounts on PTRBDCA are not effective dated
  - All existing employee records need to be updated as soon as you change PTRBDCA
  - It may be easier to create new codes and retire the old ones
  - You may find it easiest to convert to the new combined limits methodology at the start of a calendar year

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### Summary

- Combined limit processing allows you to better control compliance with regulatory limits on contributions to qualified retirement plans
- Updates to annual contribution limits are controlled at a rule form level on PTRBDCL
- Allowances for catch-up contributions can be made by creating multiple combined limit rule codes
- Resources to help you make the change:
  - Banner HR 8.0 Release Guide
  - SunGard Higher Education Commons (<http://commons.sungardhe.com>)
  - SunGard Higher Education Customer Support Center
  - Your SunGard Higher Education HR Consultant

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### Questions & Answers

- What questions do you have?

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**Thank You!**

**Steven Sullivan**  
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