

Combined Annual Limits & New Calculation Rules

Presented by: Steven Sullivan
Senior Banner HR Consultant, SunGard Higher Education
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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



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

Setting Up Combined Deduction Limits

- Benefit/Deduction Combined Limit Rule Form (PTRBDCL)

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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

SUNGARD		HIGHER EDUCATION										Benefit/Deduction Rule Form (PTRBDCA) Calculation Rule Matrix									
Calculation Rule		Employee Deduction Form (PDADEN)					Benefit/Deduction Rule Form (PTRBDCA)														
Code	Description	Amount	Amount	Amount	Amount	Option	Option	Option	Option	Option	Amount	Amount	Amount	Amount	Amount	Amount					
10	Flat Amount with Annual Limit Each Plan	Employee Deduction Amount	Employer Match Amount	Employee Deduction Annual Limit	Employer Match Annual Limit		1	2	3	4	5	6	7	8	9	10					
11	Flat Amount with Annual Limit Each Plan					Plan Code					Employee Deduction Amount	Employer Match Amount	Employee Deduction Annual Limit	Employer Match Annual Limit							
12	Flat Amount with Life Time Limit Each Plan	Employee Deduction Amount	Employer Match Amount	Employee Deduction Annual Limit	Employer Match Annual Limit																

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Setting Up Combined Deduction Limits

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

Calculation Rule		Employee Deduction Form (PDADEN)					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.

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Setting Up Combined Deduction Limits

- Benefit/Deduction Code Rule Form (PTRBDCA)

Oracle Developer Forms Runtime - Web: Open - PTRBDCA

File Edit Options Block Item Record Query Tools Help

Benefit or Deduction Code: P90

Description

Label: P90 Long: Unfunded Annuity - P90

Calculation Information

Frequency: Q Calculation Rule: 25 Percent of Gross with Employer Share

Deduction Type: Q Average Method: Exclude from Overhead Jobs

Year Code: 1 Year-to-Date Start Month Indicator: 5

2009-0 Code: Combined Limit Rule Code: 20090101 2009 Standard 401(k) Limit

Continue Employer Contributions when on Leave with Benefits

Deduction or Contribution Frequency

Payroll Periods: Q1 Q2 Q3 Q4 Q5

Start Description Record 10

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Setting Up Combined Deduction Limits

- Benefit/Deduction Code Rule Form (PTRBDCA)

Oracle Developer Forms Runtime - Web: Open - PTRBDCA

File Edit Options Block Item Record Query Tools Help

Benefit or Deduction Code: P90

Validation of options and amounts: PTRBDCA - 0.0.1.1 (0000)

Options	Amounts	Descriptions
1	1	Employer Contribution Percent
2	2	Employer Match Percent
3	3	Employer Annual Limit
4	4	Employer Annual Limit
5		

Option 1 Title Record 10

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Setting Up Combined Deduction Limits

- Benefit/Deduction Code Rule Form (PTRBDCA)

Oracle Developer Forms Runtime - Web: Open - PTRBDCA

File Edit Options Block Item Record Query Tools Help

Benefit or Deduction Code: P90

Validation of options and amounts: PTRBDCA - 0.0.1.1 (0000)

Options	Amounts	Descriptions
1	1	Employer Contribution Percent
2	2	Employer Match Percent
3	3	Employer Annual Limit
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5		

Option 1 Title Record 10

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Setting Up Combined Deduction Limits

- Benefit/Deduction Code Rule Form (PTRBDCA)

Setting Up Combined Deduction Limits

- Benefit/Deduction Code Rule Form (PTRBDCA)



Enrolling an Employee in a Combined Deduction Limit Rule Code

Enrolling an Employee in a Combined Limit Rule Code

- Combined limit rule codes default from the Benefit/Deduction Rule Form (PTRBDCA) to...
 - The Employee Benefit/Deduction Form (PDAEDN)
 - The Employee Benefit/Deduction Set Up Form (PDABDSU)
- Default combined limit rule codes can be overridden on PDAEDN and PDABDSU
- If an employee has multiple benefit/deduction codes that are part of the same combined limit group (as defined on PTRBDCA), then these codes must all have the same combined limit rule code on PDAEDN and PDABDSU

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Enrolling an Employee in a Combined Limit Rule Code

- Employee Benefit/Deduction Quick Set Up Form (PDABDSU)

The screenshot shows the 'PDABDSU' form for employee 'Peter Reddy'. It includes fields for 'Benefit Category' (PT), 'Default Sample Date' (01/01/2010), and a table for 'Code', 'Status', 'Begin Date', and 'End Date'. The 'Benefit or Deduction' section shows 'PT' with a 'Benefit or Deduction' amount of \$10.00. The 'Options' section shows 'PT' with a 'Benefit or Deduction' amount of \$10.00. The 'Combined Limit Rule Code' section shows 'PT' with a 'Description' of '2010 Standard 401(k) Limit'.

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Enrolling an Employee in a Combined Limit Rule Code

- Employee Benefit/Deduction Form (PDAEDN)

The screenshot shows the 'PDAEDN' form for employee 'Peter Reddy'. It includes fields for 'Benefit Category' (PT), 'Last Paid Date' (01/01/2010), and a table for 'Code', 'Status', 'Begin Date', and 'End Date'. The 'Benefit or Deduction' section shows 'PT' with a 'Benefit or Deduction' amount of \$10.00. The 'Options' section shows 'PT' with a 'Benefit or Deduction' amount of \$10.00. The 'Combined Limit Rule Code' section shows 'PT' with a 'Description' of '2010 Standard 401(k) Limit'.

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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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- **Check Detail Inquiry Form (PHICHEK)**

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- **Deduction Year to Date Totals Inquiry Form (PEIDTOT)**

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- 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 amounts will cause the employee to exceed the combined limit rule code amounts, PHPCALC will take up to the maximum allowed deduction, but not exceed the maximum.

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Processing Payroll with Combined Limit Rule Codes

- Deduction Year to Date Totals Inquiry Form (PEIDTOT)

The screenshot shows the PEIDTOT form for an employee named John Doe. The form displays monthly deduction amounts for the year 2020, with a total of \$15,000.00. It also shows quarterly and yearly totals for the employee's deductions.

Month	Employee Amount	Employer Amount	Applicable Gross
JANUARY	1,250.00	500.00	15,000.00
FEBRUARY	1,250.00	500.00	15,000.00
MARCH	1,250.00	500.00	15,000.00
APRIL	1,250.00	500.00	15,000.00
MAY	1,250.00	500.00	15,000.00
JUNE	1,250.00	500.00	15,000.00

Quarterly Totals

Quarter	Employee	Employer	Applicable Gross
Quarter 1	3,750.00	1,500.00	15,000.00
Quarter 2	3,750.00	1,500.00	15,000.00
Quarter 3	3,750.00	1,500.00	15,000.00
Quarter 4	3,750.00	1,500.00	15,000.00

Yearly Totals

Category	Amount
Employee	15,000.00
Employer	7,500.00
Applicable Gross	42,500.00

Life to Date Totals

Category	Amount
Employee	15,000.00
Employer	7,500.00
Applicable Gross	42,500.00

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Processing Payroll with Combined Limit Rule Codes

- Deduction Year to Date Totals Inquiry Form (PEIDTOT)

The screenshot shows the PEIDTOT form for an employee named John Doe. The form displays monthly deduction amounts for the year 2020, with a total of \$15,000.00. It also shows quarterly and yearly totals for the employee's deductions.

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Quarter 4	3,750.00	1,500.00	15,000.00

Yearly Totals

Category	Amount
Employee	15,000.00
Employer	7,500.00
Applicable Gross	42,500.00

Life to Date Totals

Category	Amount
Employee	15,000.00
Employer	7,500.00
Applicable Gross	42,500.00

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Processing Payroll with Combined Limit Rule Codes

- Aggregated Benefit Totals Inquiry Form (PEIATOT)

The screenshot shows the PEIATOT form for an employee named John Doe. The form displays the total aggregated benefit amounts for the year 2020, with a total of \$15,000.00. It also shows monthly breakdowns of the employee's benefit amounts.

Year	Employee Total	Employer Total
2020	15,000.00	7,500.00

Life to Date Totals

Category	Amount
Employee	15,000.00
Employer	7,500.00

Monthly Breakdown

Month	Employee Amount	Employer Amount
JANUARY	1,250.00	500.00
FEBRUARY	1,250.00	500.00
MARCH	1,250.00	500.00
APRIL	1,250.00	500.00
MAY	1,250.00	500.00
JUNE	1,250.00	500.00

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- **Check Detail Inquiry Form (PHICHEK)**

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- 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 year-to-date amounts exceed the combined limit rule code amounts, no deduction will be taken until the start of a new plan year

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- **Aggregated Benefit Totals Inquiry Form (PEIATOT)**

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Processing Payroll with Combined Limit Rule Codes

- Check Detail Inquiry Form (PHICHEK)

Employee	Deductions	Employer Amount	Employer Amount	Applicable Gross
000	DED Federal Tax	4,415.42	.00	\$5,584.58
	DED State Medicare	622.25	\$12.25	\$5,596.83
	DED State Social Sec	.00	.00	
	DED State Tax Blue Cross/Blue Shield	188.47	188.00	\$5,599.00
	DED Pennsylvania State Tax	927.23	.00	\$5,599.00
	DED Tax (State/Local/County - 11A/10C)	.00	.00	\$5,599.00

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Processing Payroll with Combined Limit Rule Codes

- Aggregated Benefit Totals Inquiry Form (PEIATOT)

Year	Employee Total	Employer Total
2010	\$10,000.00	\$1,025.00
Total:	\$10,000.00	\$1,025.00

Month	Employee Amount	Employer Amount
JAN	\$1,666.67	\$166.67
FEB	\$1,666.67	\$166.67
MAR	\$1,666.67	\$166.67
APR	\$1,666.67	\$166.67
MAY	\$1,666.67	\$166.67
JUN	\$1,666.67	\$166.67
JUL	\$1,666.67	\$166.67
AUG	\$1,666.67	\$166.67
SEP	\$1,666.67	\$166.67
OCT	\$1,666.67	\$166.67
NOV	\$1,666.67	\$166.67
DEC	\$1,666.67	\$166.67
Total:	\$10,000.00	\$1,025.00

Life to Date Totals
Employee: \$10,000.00
Employer: \$1,025.00

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Converting Existing Benefit/Deduction Code Records

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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
steven.sullivan@sungardhe.com

Please complete the online class evaluation form
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