

B/P/P Operations Center

User's Procedures Manual

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Introduction

Short History of the B/P/P System

The design concept for the Budget/Payroll/Personnel (B/P/P) System was developed in the mid-1970s. The budget modules were completed first and used in the budget preparation process for several years before the remainder of the B/P/P System was completed. Full implementation occurred on July 1, 1979. The original B/P/P System served the following members of the A&M System:

- Texas A&M University System Administration and General Offices (SAGO)
- Texas A&M University (TAMU)
- Tarleton State University (TARL)
- Texas Agricultural Experiment Station (TAES)
- Texas Cooperative Extension (TCE)
- Texas Engineering Experiment Station (TEES)
- Texas Engineering Extension Service (TEEX)
- Texas A&M University at Galveston (TAMUG)
- Texas Forest Service (TFS)
- Texas Transportation Institute (TTI)
- Texas Wildlife Damage Management Service (TWDMS)
- Texas Veterinary Medical Diagnostic Laboratory (TVMDL)
- Prairie View A&M University (PVAMU) *

* Prairie View A&M University used only the budgeting module of the B/P/P System until April 1, 1982, when they began using the entire system.

Five payroll offices or work stations originally served these agencies and institutions, one in Stephenville, one in Galveston and the other three in College Station. Shortly after the implementation of this system, the Agriculture Experiment and Engineering Payroll Offices were established. A few years later, the Engineering Business Office split to establish a business office for each agency, namely TEES, TEEX, and TTI. As a result, a separate work station code was established for each of these agencies. The payroll office for the System Administrative and General Offices was established on April 1, 1995.

Texas A&M University at Corpus Christi, Texas A&M University at Kingsville, and Texas A&M International University became fully operational on September 1, 1990. West Texas A&M University came on board January 1, 1991. On September 1, 1996, Baylor College of Dentistry, Texas A&M University at Commerce, and Texas A&M University at Texarkana joined the A&M System and started using the B/P/P system. In addition, The Texas A&M University College of Medicine was split out as if it were a separate state agency, although it remained a part of TAMU. The TAMUS Health Science Center, made up of the Baylor College of Dentistry, the TAMU College of Medicine and the Institute of Biosciences and Technology, became a separate operating entity on

September 1, 1999. Presently, these are the universities and agencies that make up The Texas A&M University System, serviced through 18 workstations or payroll offices.

Literally thousands of changes have been made to the B/P/P System since it went into production, including many enhancements, features and new functions. Over the years, the number of payroll deductions has more than tripled. Some of the more significant new features include:

- Annual Enrollment Process and Benefit History tracking (June 1988)
- Electronic Direct Deposit of paychecks (June 1992)
- Foreign National and State Income Tax processing (February 1993)
- Extended Pay Plan (January 1994)
- Federal withholdings for Emoluments and Non-cash Items (December 1994)
- Automation of the Maximum Exclusion Allowance calculation (October 1995)
- Comprehensive Insurance Benefit Billing (April 1996)
- Automatic Payroll Fund Switch (August 1998)
- Year 2000 Compliance (most work completed in spring 1998)
- Data available via HRConnect (January 2000)
- Conversion from IMS to ADABAS (April 2001)
- LeaveTraq Implementation (January 2003)

The Budget/Payroll/Personnel (B/P/P) Microsoft Access database was first created in January 1994, for internal use of the B/P/P staff. Once tested and proved, the database was made available (February 1995) to all A&M System users having a need to access the information for adhoc or internal reporting requirements. The users are assigned an individual logon ID to the B/P/P file server where the Access database is maintained.

Microsoft Access enables users to build queries and produce lists or reports of information from the personnel, active budget and/or table file from their desktop computer. This allows users the ability to define their own selection criteria and report format, providing specific information that can be tailored to each individual user. The users may save queries and reports to re-run and/or modify them as the need arises.

Access B/P/P Database Administration and Proper Use of Data

In response to the need to provide additional access and adhoc query capability to information residing in the mainframe Budget/Payroll/Personnel System, the B/P/P Operations Center developed a data base in the PC environment and has made this data available to those payroll and human resource offices who request this service. The data base is built using Microsoft Access and resides on a B/P/P file server. Users must be given access rights to the file server and have MS Access on their individual PC.

Access is granted to a user, by the Manager of the B/P/P Operations Center, upon receipt of a TAMUS Business Computing Services Software/Hardware/Network Statement of Responsibility form. This form is available on the web at URL

<http://sago.tamu.edu/bpp/access.html>

or by calling the B/P/P Operations Center at (979) 458-6300.

The purpose of the information available in the MS Access BPP Data Base is to provide the various user departments with information and query capabilities for internal administrative purposes. For example, the information may be used to perform an aging analysis of an agency's or institution's workforce and to forecast retirement of various segments of their workforce (i.e., by department or job title) or to check on the level of participation in an optional benefit program, such as US Savings Bonds or the Texas Tomorrow Fund. The data could also be used to develop an internal phone book for department heads of their employees, internal administrative mailing labels, etc.

This data and its use should be closely monitored, as most of it is administratively sensitive and not open to public information. Additionally, most employees have requested protection under the State of Texas Privacy Act for their home telephone, home address, social security number and dependent information. Employees able to use this data base should be instructed **NOT** to prepare any mailing or distribution list for any individual, institution or agency outside of their immediate department. Generally, any requests of this nature should be referred to the B/P/P Operations Center for processing.

It is not intended to be used to provide information or data to individuals or entities outside the agency or institution with access to the data base. For example, from time to time a TDA carrier may request mailing labels for an institution's employees. While writing a query to process against the B/P/P Access data base could satisfy this request, there are many data relationships, legal, accounting and privacy issues that need to be considered.

Requests for data or information made by an entity outside of the Texas A&M University System should be forwarded to the B/P/P Operations Center.

Accounting Analysis Changes

The Accounting Analysis Table in the Budget/Payroll/Personnel System (B/P/P) defines the rules for posting the payroll salary expenses and employer benefits charges to the correct fiscal accounts in the Financial Accounting Management Information System (FAMIS). The accounting analysis key is the first four digits of the accounting analysis field. The accounting analysis code entered on the source lines in the Active Budget file in the B/P/P System is the default used when a payroll is processed. These entries are displayed on the Form 500, the notice of budget and personnel actions.

Changes to the accounting analysis table are generally made at the start of a fiscal year to reflect the fiscal year and new state appropriation codes, as well as to reflect new accounts (if any) to be used in the collection of salary and benefit expenses for the new fiscal year. The entries in the accounting analysis table usually do not change much during the course of a fiscal year.

The accounting analysis table defines the type of funds being used to make the payment to the employee - generally either state or local. At times, it is desirable to modify the type of funding being used to pay for a group of employees on the payroll (for example, to move employees from General Revenue funding (state fund 0001) to Tuition and Fees funding (state fund 0242)). This can be most easily accomplished by changing the accounting analysis key for that group of employees on the payroll. There are several alternatives for making this adjustment, depending on the number of employees to be moved.

Temporary Accounting Analysis Changes prior to payroll processing

There are several methods to temporarily change the accounting analysis to be used when processing a particular payroll cycle. They are:

- To move all of the employees being paid from one accounting analysis to another, the simplest method requires that the B/P/P Operations Center be notified of the change **BEFORE** the processing of the second Budget Verification Document (BVD) for the monthly payroll or prior to the generation of the Payroll Preparation Hourly Report (PPRs) for a biweekly payroll. All of the accounts defined for the accounting analysis will be moved from the one type of funding to another.
 - ◆ Timing is critical! If the Payroll jobs above have already processed, this option can **NOT** be used. The date these items are due to the B/P/P Operation Center is noted on the payroll schedules.
 - ◆ This procedure will **NOT** impact the accounting analysis of payroll records already entered in the B/P/P System's Permission-to-Pay (P2PAY) file.

- ◆ The original paying part and account number will NOT be changed.

To request this option, the payroll or fiscal office should submit a completed 4-Digit Accounting Analysis Change Form to the B/P/P Production Control staff not later than the day the jobs above are scheduled to process.

- To move a group of employees (all paid from a specific account or group of accounts) from one fund type to another, an Accounting Analysis Change Request should be submitted to the B/P/P Production Control staff.
 - ◆ Changes made through this method may be made right up to the last minute prior to the start of the gross-to-net calculation process.
 - ◆ This procedure WILL impact the accounting analysis of ALL payroll records already entered in the B/P/P System's Permission-to-Pay (P2PAY) file.
 - ◆ This procedure allows for the changing of the part and/or account in addition to the accounting analysis field.
 - ◆ An additional option exists to allow for the change to be limited to changing the accounting analysis key only. This maintains the project coding used by some agencies and institutions in the remaining positions of the accounting analysis field (beyond the accounting analysis key).
- Changes may be entered directly to the P2PAY records individually via the online programs. This method involves updating each record to be changed, but changes can be made immediately up to the start of the gross-to-net calculation process. However, if there are numerous changes to be made, this method can be quite time consuming.

Changing Month-End Remittance Amounts for Employee Payroll Deductions ORP/SORP/TDA and TRS

At the end of each month, remittances are made to various vendors for amounts deducted from employee's payroll check for retirement and investment programs. These funds generally are to be remitted within a specified (very short) time period. This does not leave much time for personnel in the various work stations to reconcile these remittances. If notification of termination, or other action that affects an employee's deduction amount, is not received in a timely manner, it may be necessary to adjust these remittances (i.e., absent from work without leave resulting in a change in amount paid). **As a general rule, all of these remittances can be adjusted, but timing is critical.**

Optional Retirement Program (ORP) / Supplemental Optional Retirement Program (SORP) / Tax Deferred Account (TDA)

Beginning in January 1998, remittance for Optional Retirement Program (ORP), Supplemental Optional Retirement Program (SORP) and Tax Deferred Account (TDA) began to be made through direct deposit (automated clearinghouse or ACH) for those vendors who were prepared to receive payments in this fashion (see Hot Off the Press #369). In April 1999, ORP, SORP and TDA vendors were required to receive contributions via ACH in order to remain on the active list of vendors. This allows for the money to be available for deposit into the employees' account on pay day (for monthly paid employees). These plans require remittance to be made within 3 working days of the employee's pay date (date of availability to employee).

Copies of the reports detailing the participants and their individual payroll deduction and employer matching contributions (where applicable) are generated and forwarded by either FAX or e-mail to the vendor for processing. These reports are scheduled to be transmitted 2 business days before the actual pay date to allow the vendors as much time as possible to update the individual employee accounts when the remittance is received.

There are some inactive vendors that do not accept the direct deposit and the electronic copy of their report. These vendors receive a check and a copy of their report by next day delivery service, timed to arrive within the timeframe specified above.

As with the bond reporting, there may be occasions when a remittance amount needs to be changed. **This is especially critical for ORP, SORP and TDA remittances because most of the investment instruments are highly volatile and deposit values can fluctuate considerably in a short period of time.** It is much easier to correct the remittance before it leaves the A&M System than to attempt to recover the funds after the vendor has invested it for the employee. It also can cause considerable questions from an employee when reconciling the vendor's statement detailing the employee's deposits.

Following the receipt of the month-end reports and reconciliation by the work station, if it is necessary to correct an amount to be transmitted for an employee, the work station

should contact the Production Services Coordinator in the B/P/P Operations Center. The work station should FAX the employee's name, SSN, the vendor code and name, the type of transaction (ORP, SORP or TDA), the incorrect amount and the new, correct amount to be remitted. The Production Services Coordinator can update the appropriate remittance report and file to correct the entry prior to its transmission to the vendor and the Automated Clearinghouse (the Federal Reserve Banking System). Again, these transmissions are scheduled to occur three (3) days before the monthly pay date. Once the transactions are submitted, should an error be discovered, the work station will have to contact the vendor directly to correct the situation.

Should there be an error in the correction process, the vendor should contact the appropriate work station and explain that the remittance amount did not match the amount of the direct deposit. At that point, the work station should contact the B/P/P Operations Center and reconcile the problem.

Teacher Retirement System

The retirement contributions for the employees participating in the Teacher Retirement System (TRS) are submitted to the state each month, based on the employee's earnings that month. A report detailing all deductions is generated as part of the month-end processing for work stations to use in the reconciliation of these deductions. Once the work station has reconciled their report, files are built and submitted to TRS through the TRS online Web interface called TRAQS (see separate section with this title).

Direct Deposit

(also known as ACH Processing)

The Texas A&M University System started using the Federal Reserve Bank's Automated Clearing House (ACH) System for direct deposit of payrolls on May 22, 1992. Initially, employees paid from state funds were processed through the State Comptroller's Office via the old FACTS System. TAMU had to route pre-note transactions for these employees through the State Comptroller's System as well as our own. With the conversion of the State Comptroller's Office to the Uniform Statewide Accounting System (USAS) in September, 1993, all TAMUS payroll checks are generated and paid from local funds with the State Comptroller's Office reimbursing the TAMUS parts for those employees paid from funds on deposit in the State Treasury. As a result, there is only one pre-note process to maintain - that is the process in the B/P/P System. This pre-note practice was discontinued in 2000. Currently, once an entry is made into the B/P/P System, it immediately is honored and ACH transactions will be generated based on this information.

In order for an employee to be paid via direct deposit, the ACH data (type of account, bank routing number and the employee's bank account number) must be entered on the Personal Data screen (101) in the Personnel Maintenance module of the B/P/P System. The B/P/P Operations Center coordinates with the TAMUS originating banking institution to pass these transactions on to the Federal Reserve's ACH System. Currently this institution is Bank of America. (Bank of America actually removes those transactions that will post to a Bank of America account and processes these internally; these transactions are not passed to the ACH System.)

The ACH System processes the transactions by sorting through all of the bank routing codes and distributing the transactions to each financial institution. Most institutions receive the transactions "on-line" (via telephone connection) while some receive a magnetic tape or diskette with the transactions.

A process called "memo posting" allows bank tellers and automatic teller machines (ATMs) to "see" the deposit and recognize that the employee has been paid. Banking institutions that do not "memo post" do not have this visibility and will not be able to verify to an inquiring employee that he has been paid, even though the transaction has been received and will be processed as part of that day's business. Most institutions "memo post". The following deadlines will ensure that the Direct Deposits are credited to the employees' accounts on payday.

The Federal Reserve Bank's Automated Clearing House System has specific limits as to when data entering the system will process and clear or be transmitted to the receiving banking institutions. Generally, most items are categorized as to how many days it requires for the item to clear the ACH system, and charges are based on the time period allowed to process the item. Generally, the longer the time allowed to process the item, the lower the cost. The two general time periods and the deadlines associated with them are as follows:

2 Day Item:

In order to pay on Friday, the File Transfer must be made before 4:00 p.m., Wednesday to Bank of America. Generally, the B/P/P Operations Center transmits data by 10:30 a.m. the morning following the payroll calculation.

1 Day Item:

In order to pay on Friday, the File Transfer must be made before 9:30 a.m., Thursday to Bank of America. The transactions go to the Federal Reserve at 10:00 a.m.

NOTE: One day items will not “memo post”.

The money may be in the employees' account, but the bank teller will not be able to see it until posting that night. Therefore, the employee may not be able to withdraw funds from their account on payday.

TAMUS is classified as a 2-Day Item institution. In an emergency, the 1-Day Item processing window can be used. Close coordination must be maintained with Bank of America should this one day window be used.

Bank of America ACH Help line: 800-785-5525

CHANGES In Check Amounts after the Payroll is processed

Deletion or reversal of a payroll ‘check’ is necessary when a check has been cut for the incorrect amount or entirely in error and the item is paid via direct deposit. Changes to the amount of the transaction are not allowed. The entire transaction must be reversed or deleted, depending on where the transaction is in its processing cycle. The information required to delete or reverse an ACH payment is found on the Direct Deposit Report produced by program BP5018.

A deletion is done when the error is discovered before 1:00 p.m. on the day a payroll is transmitted to the Federal Reserve System. The record is deleted in the Bank of America ACH processing system. A reversal is performed when the error is not detected until after the 1:00 p.m. deadline on the day of payroll transmission and up to five working days after the file has been processed and sent to the Federal Reserve. The original item has been passed on to the Federal Reserve and a second transaction must be generated to cancel or reverse the original item.

With either case, the original TAMUS paying department contacts their payroll office immediately after discovering the problem. The payroll office completes a special Bank of America form entitled, “**Bank of America ACH Deletion/Reversal Request**” and faxes it to Bank of America at 800-424-2173. After thirty minutes to an hour, the payroll office **must** call Bank of America Customer Service at 800-424-2172 and confirm that the information was received, the time of the call, and the person spoken to. **Unless the payroll office calls and confirms that the information has been received by Bank of America, no action will be taken by Bank of America.** Bank of America makes sure the transaction is deleted or reversed, depending on whether the transaction is at Bank of America or has gone to the Federal Reserve. Reversals can be and often are returned by the receiving bank. (The employee may have withdrawn the funds and there is not enough money to cover the reversal.) Bank of America cannot guarantee that a reversal will be paid. After the deletion or reversal is processed successfully, the money is returned to the appropriate part’s payroll account.

The A&M System Extended Pay Plan

This portion of the Procedures Manual is written in such a manner that it could be sent to an employee for references purposes, if necessary.

What It Is

The Extended Pay Plan allows employees who work less than 12 months each year to extend their pay over 12 months.

How It Works

You can choose to have either 12.5% or 25% of your net pay set aside each month. During the summer months, you will receive a paycheck from those funds set aside earlier. If you work nine months and have 25% withheld from your pay during each of those nine months, your paycheck should be fairly even for 12 months. If you have 12.5% withheld for nine months, your summer pay will be less than your regular pay. This option was designed for employees who work 10½ months and have some summer income.

How Tax and Other Deductions Are Affected

For tax purposes, you still will be considered a nine- or 10½-month employee. Therefore, federal income and Social Security taxes will be deducted fully from your pay during the months you work. All of the money held for summer payment will be from your after-tax “take-home” pay.

How Insurance Premiums Are Paid

Insurance premiums will be deducted from each paycheck during your regular work year. In addition, 25% of your monthly out-of-pocket insurance premiums will be withheld each month to cover your summer premiums. If you participate in Extended Pay, all summer premiums will be deducted from your May paycheck. However, money to cover three months of premiums will be paid to you in May from your withholdings in addition to your May paycheck. This means your over-all May take-home pay will be your normal amount and all of your health and dental premiums can be paid on a pre-tax basis.

How You Sign Up

You can sign up for the plan at any time during the year. However, if you wish to receive paychecks that are relatively for the same amount each month, you **must** enroll in September. If you sign up later in the year, you will still receive three summer paychecks, but they will be for lesser amounts. You also may stop participating at any time during the year. However, once you drop participation, you cannot sign up again until the beginning of the next fiscal year (September 1). If you stop participating, you may receive all withheld funds at that time or wait and receive these funds in three payments during the summer.

When you enroll, you decide if you want 25% or 12.5% of your net pay withheld. The 25% withholding was designed for 9-month employees and the 12.5% for 10½-month employees. However, you can choose either amount, whether you are a 9- or 10½-month employee.

How Your Account Is Paid

Whatever amount has been withheld for summer payment will be divided evenly and paid to you on the regular paydays for June July and August. This money will already have been taxed, and insurance premiums will already have been deducted. If you work part or all of the summer, you will receive your pay for that work in addition to the payments from the Extended Pay Plan.

Extended Pay Plan Q's and A's

Do all 9- and 10½-month employees have to go on the Extended Pay Plan?

No. The plan is entirely voluntary.

Will my entire pay be affected by the 12.5% or 25% reduction?

Only net pay will be affected. Any supplemental payments you receive will not be spread over 12 months.

If I join the plan mid-year, can I have a larger percentage withheld?

No. You can have 12.5% or 25% of your net pay withheld each month. If you join the plan mid-year, you will have smaller paychecks during the summer months than you would have had if you had joined the plan in September.

If I contribute to the Extended Pay Plan all year, will my summer checks exactly equal my regular checks?

It depends. Nine-month employees who elect 25% withholding should, in theory, have identical checks. However, supplemental pay (any pay in addition to base pay and longevity pay) is not included, which could make summer checks less for some. The variation between regular and summer pay will be more pronounced for 10½-month employee and 9-month employees who elect 12.5% withholding.

What happens if I have part of my pay withheld all year and then I get a summer appointment? You will receive your pay for the summer appointment plus the payments from the Extended Pay Plan.

If I don't need payments from the Extended Pay Plan because I got a summer appointment, can I leave the money in the plan until the next summer?

No. All funds will be given to you so that no funds are held at the end of the fiscal year.

Will I receive interest on my withholdings for the summer?

No. Any interest generated will go toward paying the administrative costs of the Extended Pay Plan. If you wish to earn interest on your pay, you should continue your current pay schedule and set aside money yourself for the summer months in an interest-bearing account or investment.

When I file my income tax return, in which year do I include the money withheld for the Extended Pay Plan for my September through December paychecks?

You include the withheld money on your tax return for the year in which it would have been paid had it not been withheld for the Extended Pay Plan. All of your pay will be taxed before any of it goes into the Extended Pay Plan, and your w-2 form will reflect your pay as if you had already received your full amount. You have access to withheld money, and it is considered as already paid to you for tax purposes.

How will my direct deposit be affected?

Direct deposit will not be affected, except that less money will be deposited each month because a portion of your pay will be withheld for the summer. Your summer payments from the Extended Pay Plan will be made via direct deposit as long as you have a valid direct deposit authorization form on file. However, if you elect to withdraw your money before May, you will receive payment by check.

How do I enroll, drop out or make changes to my participation?

Contact your payroll office for the appropriate forms for any plan action. Your payroll office also can answer your questions about the plan.

Example: 25% Withholding for Nine Months

Net Pay: \$4000

Monthly out-of-pocket insurance premiums: \$100

Month	Original Net	EPP for Net (25% of Net)	EPP for Insurance (25% of Out-of-Pocket Insurance)	EPP Payment Amount	Total Paid to Employee	EPP Balance
Sept.	\$ 4,000	- \$ 1,000	- \$ 25	+ \$ 0	= \$ 2,975	\$ 1,025
Oct.	\$ 4,000	- \$ 1,000	- \$ 25	+ \$ 0	= \$ 2,975	\$ 2,050
Nov.	\$ 4,000	- \$ 1,000	- \$ 25	+ \$ 0	= \$ 2,975	\$ 3,075
Dec.	\$ 4,000	- \$ 1,000	- \$ 25	+ \$ 0	= \$ 2,975	\$ 4,100
Jan.	\$ 4,000	- \$ 1,000	- \$ 25	+ \$ 0	= \$ 2,975	\$ 5,125
Feb.	\$ 4,000	- \$ 1,000	- \$ 25	+ \$ 0	= \$ 2,975	\$ 6,150
Mar.	\$ 4,000	- \$ 1,000	- \$ 25	+ \$ 0	= \$ 2,975	\$ 7,175
Apr.	\$ 4,000	- \$ 1,000	- \$ 25	+ \$ 0	= \$ 2,975	\$ 8,200
May	\$ 3,700	- \$ 925	- \$ 100	+ \$ 300	= \$ 2,975	\$ 8,925
June	\$ 0	- \$ 0	- \$ 0	+ \$ 2,975	= \$ 2,975	\$ 5,950
July	\$ 0	- \$ 0	- \$ 0	+ \$ 2,975	= \$ 2,975	\$ 2,975
Aug.	\$ 0	- \$ 0	- \$ 0	+ \$ 2,975	= \$ 2,975	\$ 0

Example: 12.5% Withholding for Nine Months

Net Pay: \$4000

Monthly out-of-pocket insurance premiums: \$100

Month	Original Net	EPP for Net (12.5% of Net)	EPP for Insurance (25% of Out-of-Pocket Insurance)	EPP Payment Amount	Total Paid to Employee	EPP Balance
Sept.	\$ 4,000	- \$ 500.00	- \$ 25	+ \$ 0	= \$ 3,475.00	\$ 525.00
Oct.	\$ 4,000	- \$ 500.00	- \$ 25	+ \$ 0	= \$ 3,475.00	\$ 1,050.00
Nov.	\$ 4,000	- \$ 500.00	- \$ 25	+ \$ 0	= \$ 3,475.00	\$ 1,575.00
Dec.	\$ 4,000	- \$ 500.00	- \$ 25	+ \$ 0	= \$ 3,475.00	\$ 2,100.00
Jan.	\$ 4,000	- \$ 500.00	- \$ 25	+ \$ 0	= \$ 3,475.00	\$ 2,625.00
Feb.	\$ 4,000	- \$ 500.00	- \$ 25	+ \$ 0	= \$ 3,475.00	\$ 3,150.00
Mar.	\$ 4,000	- \$ 500.00	- \$ 25	+ \$ 0	= \$ 3,475.00	\$ 3,675.00
Apr.	\$ 4,000	- \$ 500.00	- \$ 25	+ \$ 0	= \$ 3,475.00	\$ 4,200.00
May	\$ 3,700	- \$ 462.50	- \$ 100	+ \$ 300.00	= \$ 3,437.50	\$ 4,462.50
June	\$ 0	- \$ 0	- \$ 0	+ \$ 1,487.50	= \$ 1,487.50	\$ 2,975.00
July	\$ 0	- \$ 0	- \$ 0	+ \$ 1,487.50	= \$ 1,487.50	\$ 1,487.50
Aug.	\$ 0	- \$ 0	- \$ 0	+ \$ 1,487.50	= \$ 1,487.50	\$ 0

The charts show how Extended Pay Plan withholdings and insurance premiums are deducted for nine months, and then how payments are made from the Extended Pay Plan withholdings during the summer. Keep in mind that this shows net pay only as taxes have already been deducted. In addition, these examples do not reflect any change in salary that might occur during the year. They also do not show any summer appointment pay that an employee might receive.

As you can see, with 25% withholding, the paycheck each month (Total Paid to Employee column) is the same, assuming the employee had no supplemental or summer appointment pay. The pay is less during the summer with the 12.5% option. That's because this option was designed for employees who work 10½ months and have some income during the summer.

The Extended Pay Plan withholding is calculated during the payroll process – but it is not a payroll deduction. The employee is entirely whole each calendar year for tax withholding and retirement contribution purposes. In other words, when the employee receives his gross pay in September, taxes are reported in that tax reporting year – the calendar year – that the gross was paid. The employee has constructive receipt of these funds at that time and has asked his employer to withhold a portion of the NET pay and disburse that to the employee in the following calendar year during the following summer. The income was earned and will be reported in the calendar year in which the funds were earned and paid as part of the gross pay.

In a like manner, the employee's retirement contribution will also be based on the gross salary paid in September and remitted to the appropriate retirement plan in full as the retirement contribution for the month of September. No contributions will be made during the following summer months, as the employee's obligations have already been met and the funds have been earning the appropriate interest for the entire period since September.

The payroll calculation program ONLY calculates Extended Pay Plan for “regular” pay types. These pay types are **B**, **H**, **I**, and **L**. Also, the EPP amount is honored on the follow two correction voucher pay types, namely **C** and **E**.

Form I-9 Processing

Federal law requires employers to hire only persons who legally may work in the United States. The I-9 form was developed for that reason and a form must be completed by a new employee (including student workers and other casual employees) within three (3) business days of employment or the employee must be terminated.

The B/P/P System allows for the verification of the form as well as an electronic notification to payroll. The fields in the Personnel File for each employee are:

I-9 Valid Flag/Expiration Date (101 screen) - The flag will default to **N** when a record is built in the Personnel File for a new employee. These fields will appear on the current Personnel Maintenance Screen 101, but may not be updated through this screen. All updates to these fields will take place through Screen 612 that was designed specifically for this purpose. This is a security measure as the I-9 field is extremely critical in meeting federal employment verification standards and the ability to update this field is more restrictive.

I-9 user ID/DATE (611 screen)– This screen contains the I-9 Status of the employee including the I-9 expiration date, date of birth as well as the original and current employment dates. Also displayed is the USERID of the individual who updated the flag and the date that it was done.

I-9 update (612 screen) - This screen is used to actually update the I-9 Valid Flag in the Personnel File. Multiple employees may be entered at the same time.

Whenever a new employee is added to the Personnel File, the I-9 Valid Flag will default to **N**. Upon receipt of the I-9 form and following verification that the information is accurate and complete, the flag may be changed to a **Y** via the 612 screen. The date the flag was changed can be more than three (3) business days following the date of employment but the date on the I-9 form **must** be within the required three day period.

The payroll calculation process (Pay Calc) incorporates edits utilizing the I-9 valid flag. The permission-to-pay (P2PAY) process will include an edit that will identify individuals with a record on the payroll who have an I-9 valid flag equal to **N**. These employees will be reported on the error report with an appropriate message that includes the fact that the **person will not be paid**. This will alert the payroll office to verify that a valid I-9 form has been received and to have the flag updated prior to processing the payroll.

An employee transferring from one A&M System member to another need not have the I-9 flag reset, since the verification process will have already taken place.

Further instructions about the I-9 process can be found in the B/P/P Special Purpose Processing manual.

Parking Deduction Non-College Station Campus Description

Effective March 1, 1998, employees of the Texas A&M University System will have the option of paying the fees for their parking permit through payroll deduction. The chief financial officer of each A&M System member will determine whether or not this option is implemented for their agency or institution. The payroll deduction option was enacted by the Texas Legislature during the last session and the option is strictly voluntary. The chief financial officer for each agency/institution is responsible for determining the operating rules for his agency/institution.

By enrolling in this payroll deduction, employees authorize an A&M System Payroll Office to deduct a proportionate amount of money from their monthly or biweekly paycheck for the cost of the parking permit. There is no additional charge or handling fee for this option. Other options for payment of parking fees are at the discretion of the A&M System chief financial officer.

The employer identifies parking fees and the appropriate monthly deduction amount is defined for each participant. This amount is stored either in a parking system maintained by the individual institution or on one of the user maintained tables in the B/P/P System. No facility is made to allow for varying payment plans or programs. All entry and processing will be done on a monthly basis.

Immediately prior to the processing of the first payroll calculation of the month, the B/P/P System will receive a file (either from the TAMU Transportation Services department's parking system or the B/P/P System Table File) of all deductions to be made for that month. The entries from the B/P/P System generated from input on Screen 312 made by parking offices at the various remote A&M System campuses using this function.

This source of the payroll deductions will be read only once for each month. Any changes made to the source of the deduction information will NOT be incorporated until the following month. If a new employee begins on March 1st, (the same day the file is built) his enrollment form will not reach the individual who maintains the parking fee in time to be included on the file for March. Regardless of the parking system being used, if the deduction is simply entered in the deduct amount field of that system, NO deduction will be made for March. When April 1st arrives, an entry will be made to take a deduction for April.

The TAMU Transportation Services department will be responsible for processing the catch up transaction for March for employees using this system.

For those campuses using the B/P/P System Parking scheme, to collect a parking fee for March, the March deduction amount should be entered as a past due amount on Screen 312. Then when the file is built for April, the past due amount (for March) and the deduction amount (for April) will be sent to the B/P/P System to be collected in April.

The parking deductions will be made on an accounting month basis. For biweekly paid employees, one half of the monthly deduction amount will be withheld on the first and second biweekly payroll each month. If the parking fee is not taken on the first biweekly payroll, the entire amount will be deducted on the second biweekly payroll. For those months with a third biweekly payroll, no attempt will be made to make this deduction on this payroll. The entire parking fee will be deducted on the monthly payroll.

After all of the payrolls for the month have been processed, a report will be generated for those campuses using the B/P/P System to compare the requested deductions with the actual deductions as part of normal month-end processing. This report will be used to reconcile the parking fee deductions made during the month with the original amounts requested to be deducted from the employee's paycheck. The report will identify employees who did not have a complete month's parking deduction withheld to cover the deduction, the fee will be identified as a past due amount on Screen 312. The past due amount will be included in the total parking deduction amount calculated for the following month. This value will continue to accumulate until the deduction is terminated (deleted) or it is paid in full.

The TAMU Transportation Services department receives a file from the B/P/P System and goes through a similar process in order to prepare a file for the next month.

Monthly deduction amounts are entered on Screen 312 for both biweekly and monthly paid employees in the User Table of the B/P/P System for each employee enrolled in the program. The deduction code on the screen determines if a payroll deduction will be processed during the summer months (for the accounting months June, July and August). This amount and deduction code will remain in effect until it is changed or the record is deleted from the system.

See the B/P/P Tables maintenance manual for a complete description on Screen 312 and definitions about the fields and how they are used.

Options for Requesting/Producing Duplicate Form W-2s

Once the Form W-2s are distributed, there is an immediate need to generate a replacement copy for employees. There are at least four different procedures that exist to assist employees in meeting this need.

Starting with tax year 2001, procedures allow for immediate printing of W-2s via HRConnect by either the employee or a HRConnect administrator. It is planned that there will be a maximum of four tax years of information kept on the file servers. The address for the web site for employees is <https://hrc.tamu.edu/hrc/login.asp>. The W-2 information has been added to the payroll information page for employees accessed on this website. The site is secure and employees may only access those records for which they know the password (which should just be their own). This site is available to employees almost all the time allowing them to access and print a personal copy, using their own UIN and password. Employees who pay State Income Tax (SIT) or who received Qualified Moving Expense Reimbursements will not have copies of their Form W-2s available from this site for tax years prior to 2004, as the information is not available from the files being used. Please caution your employees that they should not share their password with anyone.

HRConnect also allows for a similar process to be used by payroll and/or human resource offices to print a copy for any employee, by using an administrative access ID and password. The address for the administrative web site is <https://hrc.tamu.edu/hrc/admin.asp>. An individual's Form W-2 may be accessed from the payroll information screen (like above) for benefit eligible employees or the form may be displayed for all employees by using the W2 Records section of the administrator access screen. This process allows for an immediate production of the replacement Form W-2 for employees within the work station code assigned to the administrative userid.

>> CAUTION: The data transmitted to the Social Security Administration (SSA) is the only data stored on HRConnect. The data stored in HRConnect MUST be kept in sync with the data sent to the Social Security Administration. Be aware of the following:

- Changes made to employee's data made after the file has been transmitted to HRConnect WILL NOT BE reflected in HRConnect unless you inform the B/P/P Operations Center that a change has been made. The B/P/P Operations Center will then build a new file and transmit the information to update the HRConnect data.
- Employees with Qualified Moving Expenses and/or State Income Tax Withholdings may not request a duplicate Form W-2 through HRConnect for tax years prior to 2004. This information is not passed on the file sent to the SSA; therefore, it was not available for the re-print program in HRConnect. Requests for Form W-2s for these employees will result in a message indicating that the information is not found.

Both of the HRConnect options above will generate a Form W-2 image copy on a local printer using Adobe.

The third option to generate a replacement Form W-2 utilizes the same method used to produce the original document – through the mainframe computer system by the B/P/P Operations Center. This form would be an exact duplicate of the mailing document originally produced.

The procedure to request this reprint is as follows:

1. From the Block ATM Screen, type **TPX** and press **<ENTER>**.
2. Sign on to TPX using your normal USERID and password.
3. From the TPX Menu, select **WYLBUR** usually **<F4>**.
4. Sign on to WYLBUR using the USERID **K030ZZ**. The system will prompt for a password. This password is the same one used every year during this time frame. If you need to have the password refreshed, contact the B/P/P Operations Center. Continue to press the **<ENTER>** key until you receive the following screen.

```
BUDGET/PAYROLL/PERSONNEL

SELECT:  A - STAFF DIRECTORY (TAMU)      E - **** USE THE 'R' TABLE NOW ****
         B - STAFF DIRECTORY (ENG.)      F - **** USE THE 'R' TABLE NOW ****
         C - ENG ACCOUNTS FILE           G -
         D - W2 SELECTION BY SSN #       H -

         W - EXIT TO WYLBUR              Z - EXIT THE SYSTEM

PLEASE ENTER SELECTION:
```

Selecting option **D** on the menu will bring up a screen that will allow you to identify employees who need to have a duplicate printed. The following screen will be displayed:

BUDGET/PAYROLL/PERSONNEL SYSTEM
DUPLICATE W-2 FORM PROCESSING

WORK STATION:

SSN 1:	SSN 2:	SSN 3:
SSN 4:	SSN 5:	SSN 6:
SSN 7:	SSN 8:	SSN 9:
SSN 10:	SSN 11:	SSN 12:
SSN 13:	SSN 14:	SSN 15:
SSN 16:	SSN 17:	SSN 18:
SSN 19:	SSN 20:	

TO EXIT, ENTER 'EX' IN THE WORK STATION FIELD

5. Enter the work station identifier and the SSN for those employee(s) needing a replacement form W-2. When you have keyed in the SSNs, press the **<ENTER>** key. Basic edits are performed to validate the SSNs and to look for duplicates. The screen will be re-displayed if any errors are encountered. The screen can be entered as many times as necessary.
6. When all the selected SSNs have been entered and processed, enter **EX** in the work station code. This will save the work station code and SSNs that had been entered and return you to the Main Menu.
7. Select option **Z**. This will terminate the WYLBUR session and return you to the block ATM screen.
8. On Wednesday evenings, the B/P/P Operations Center will process a batch job to generate the forms to be printed and distributed to the work stations the next day.

If you need assistance, please contact BPPHELP@sagomail.tamu.edu.

Finally, the fourth option to generate a replacement Form W-2 is to re-type the form on the blank stock distributed to your office when the original forms were produced (assuming that you can find a typewriter). All of the information needed is on the final copy of the W-2 Prooflist report. This is a good source assuming that no additional changes in the employees' earnings have been discovered and made since the original W-2 was produced for the employee.

TRS Reporting via TRAQS

TRAQS is an acronym for **T**RS **R**eporting **a**nd **Q**uery **S**ystem. It is a web based, on-line application developed to provide TRS reporting entities with an innovative and streamlined method for submitting required information to TRS via the Internet. Member institutions of the A&M System converted to the new reporting methodology with the April 2002 reporting period (due to TRS in May 2002). The address for this web site is:

<http://www.trs.state.tx.us/traqs/traqs.htm>

Not only does TRAQS allow reporting entities to submit data to TRS, but it also permits them to view the results of processing that data. Through the query function of the application, reporting officials or their designated representatives can see the status of the reports that they have submitted and view details concerning any problems that exist which may require their attention. This lets them readily make necessary corrections and resubmit data to speed completion of report processing.

TRAQS puts control where it should be - in the hands of the reporting entities. They are able to submit reports, review results, and make necessary modifications; generally with no intervention required by TRS staff. One of the goals of TRAQS is faster completion of report processing. Faster report completion in turn permits TRS to distribute benefits to its members in a more timely fashion, thus providing reporting entities an opportunity to indirectly provide greater service to their employees.

Several additional benefits are also realized through the use of TRAQS.

- Elimination of paper reports and forms
- Elimination of magnetic media
- Electronic signatures
- Reduction in postage, handling, and supply costs
- Reduction in the number of report categories
- Reduction in the number of member data errors

TRAQS allows reporting entities to submit four categories of reports.

1. Member Data Report
2. Regular Payroll Report
3. Employment of Retired Members Report
4. Miscellaneous Reports

The Member Data Report contains the following information:

- Member biographical information previously reported through the member enrollment form TRS 5, *Personal Data*
- Member termination information
- Member position information previously reported through the annual *Member Position Report*, form TRS 557

- Employment information previously reported through the *Certification of Contract/ Work Agreement Report*, form TRS 355

The Regular Payroll Report contains the following information:

- Member monthly salary and deposit amounts previously reported on the *Summary of Payroll Report*, form TRS 4
- Member monthly TRS-Care contribution amounts previously reported on the *Insurance Report*, form TRS 374
- Member monthly payroll deduction for the purchase of special service, if applicable, previously reported on *Summary of Payroll Deduction for the Purchase of Special Service*, form TRS 565

The Employment of Retired Members Report contains data similar to that previously required in the Employment of Retired Members Report, form TRS 118.

The Miscellaneous Reports will continue to consist of only total salaries and deposits and include the following individual reports.

- Statutory Minimum Report (form TRS 372)
- Federal Fund/Private Grant Report (form TRS 2)
- Federal Grant TRS-Care Report (form TRS 488)
- Educational/General Local Funds Report (form TRS 553)
- Non-educational/General Funds Report (form TRS 370)

Month-end Processing and Procedures

As a part of normal month-end processing, files will be built for all of the member institutions and agencies in the A&M System. These files will be used to report the **Member Data (MD)** information, the **Regular Payroll (RP)** deposit information to the Teacher Retirement System (TRS), and the **Employment of Retired members (ER)** information through their **TRS Reporting and Query System (TRAQS)** system.

The SAGO TRAQS web site will be used as a repository for all files being transmitted to TRS. This will include the Member Data (MD) file, the Regular Payroll (RP) file and the Employment of Retired Members (ER) data.

Each report type (RP, MD, ER) must be submitted via TRAQS as a separate file. The file can include multiple record types. The processes will be independent of each other and payroll offices (TRS reporting districts or entities) may submit the information to TRS as the files are made available and according to their individual work flow processes.

The Regular Payroll Report (RP), Member Data (MD) and Employment of Retired Members (ER) data must be submitted every month.

Report Status

A report status is returned for each file submitted through TRAQS detailing the processing that has taken place based on the data supplied. The 'Report Status' can be Failed, Over-Due, Pending, Incomplete or Complete. The goal for Regular Payroll (RP), Federal Fund/Private Grant, Federal Grant TRS-Care Report, Statutory Minimum Report, Member Data (MD) and Employment of Retired Members (ER) is to have a "Complete" status.

The **RP** and **ER** files must reach a 'Completed' status in order for any records to be posted to the TRS data base. Records will be posted from the **MD** file upon reaching a 'Complete' or 'Incomplete' status. An 'Incomplete' status will produce warning messages. These warnings will detail records that were not processed or posted to the TRS data base. The warning messages have a 2 character code. The remedy for the warning messages can be found on the TRAQS website <http://www.trs.state.tx.us/traqs/traqs.htm>.

If the remedy action instructs that a correction record should be re-submitted, the B/P/P Operations Center (please notify bpphelp@tamu.edu) should be notified so that a manual record can be constructed to be submitted to TRAQS. The B/P/P Operations Center will either take care of the problem on the next month's submission or will create a special file consisting of only the problem records to be submitted for the current month.

Some common Member Data (MD) file warnings are:

- DV 000 xx xxxx Demographic Member ID Number 000 xx xxxx is not valid.
A temporary B/P/P SSN has been used to submit information to TRS. This is not allowed by TRS. Please be sure to review the error report from program BP8609 to identify temporary SSNs prior to the submission of MD information so that these items can be corrected prior to submission.
- RO xxx xx xxxx Demographic for Closed Account - Possible Ineligible Withdrawal
This member previously withdrew their IRS contributions and has returned to work in a TRS eligible position within 30 days of their previous termination. The employee may not have been eligible to withdraw their contribution. This message is for information only and requires no corrective action to correct the file submitted.
- RS xxx xx xxxx Address Reported Last Name Discrepancy
The last name reported on the MD file does not match the information that is currently stored on the TRS data base. The B/P/P Operations Center will have to manually generate an MD25 record to report the name change.
- ZR xxx xx xxxx Contract/Pos Record Already Exist. Use an Adjustment.
A contract/position record will be created for all new employees. This warning message may be the result when an employee is terminated and the TRS Deduct Code is set to N, but no termination date is entered. Without the termination date, no MD90 (termination) record will be generated. The employee then returns to work and the TRS Deduct Code

is again set to **Y**, causing the B/P/P System to generate new employee records for TRAQS.

ZS xxx xx xxxx Contract/Position Adj ORP Electee Reported by Junior/Senior
College or Medical School

This individual should have been an error when submitting the Regular Payroll (RP) file. This person has been identified to TRS as an ORP participant. It must be determined if the employee is a TRS member or eligible for ORP. If the individual is a TRS member, an MD40 record will have to be manually generated and submitted by the B/P/P Operations Center.

ZQ xxx xx xxxx Termination No Contract/Position Record Exists

This warning message is generated when a change is requested to an employee record, but no record has been set up for the current fiscal year. This situation could result if the employee had a TRS Deduct Code of **N** and a blank Termination Date in September. At this time each fiscal year, a file is generated for TRAQS defining all current employees. When a termination date is subsequently entered into the B/P/P System, the system will generate a termination record, but there is not a corresponding contract or position record to update. The B/P/P Operations Center will have to manually generate a MD40 (appointment) record and a MD90 (termination) record.

ZU xxx xx xxxx Termination Reported for Retired Members

This message is generated when a retired person returns to work and he is incorrectly reported as a current active TRS member. The individual should be reported on the Employment of Retired Members (ER) report.

Member Data (MD) Processing

The program BP8609 in the month-end job MONTRS02 builds a file detailing employee member data information to be transmitted to the Teacher Retirement System. This information includes such items as the employee's name, citizenship, gender, birth date, job position information and address information. While it is technically possible for a payroll office not to have a file generated for a particular reporting month, it would be highly unlikely that there would not be some change in this information over the course of a month. The employment of one new employee would result in this file being built.

At the same time the MD file is built, a copy of the file is loaded to the SAGO TRAQS web site (sago.tamu.edu/TRAQS). Following the load of the file, the payroll office personnel must then logon to the web site and download their final file to a site of their choosing. This could be their individual work station or a file server that they can access. The payroll office personnel will then have to sign on to the TRAQS web site (<http://www.trs.state.tx.us/traqs/traqs.htm>) and transmit the file to TRS.

Very Important: ** Only one Complete MD file may be transmitted for each month to TRS for each work station or district. A separate correction or patch file of individuals with previous warning messages may be transmitted.

The key to minimizing problems in member data reporting is to maintain accurate data in the B/P/P System with respect to actual TRS enrollment and activity.

A report is also generated when the member data file is built. The report gives the number of Member Data records generated - part of the information you need to "sign" for the Member Data report submission. In addition, the following error messages may appear on the report should you have data that needs to be corrected.

TERMINATION/RETIRE DATE IS BLANK

The program has detected that the TRS deduction code has been changed to **N**, but we cannot generate a complete termination record for TRAQS. Fill in either the Termination Data or Retire Date on the Personnel Maintenance screen 101 before the next month's run. A termination record cannot be sent to TRS until a termination date or retirement date is present, even if the TRS deduct code is set to **N**.

NOTIFY B/P/P IF SSN HAS BEEN SENT TO TRS

This message is printed if the program encounters a change on a record with a last name starting with **QQ**. This should mean that the SSN for this employee has been changed. If the SSN has changed, notify bpphelp@tamu.edu so that an **MD25** record can be created to change the old SSN to the new SSN. Certain instances will not require a change, i.e. if the person was found to have an invalid SSN prior to any data being sent to TRS. In this case and in all cases where TRS coverage is being stopped, the deduct code should be set to **N** for the old SSN, along with a termination or retirement date.

This message will be displayed for SSNs with a TRS deduct code of **Y** for the current reporting month or for the previous month. These records should ultimately have a TRS deduct code of an **N** with a termination or retirement date, as they are flagged as being incorrect SSNs. Once this is done, the record will stop being reported. The employee may be reported at most twice on your report if you are timely in informing the B/P/P Operations Center of the valid SSN so that the proper MD25 record can be generated and you change the TRS deduct code to **N**, along with a termination or retirement date. The message can be ignored if the change has already been reported to TRS (MD25 record was sent in the previous month and the change to the TRS deduct code (to **N**) is occurring this month.)

Warning: ** The workstation should not transmit their MD file until the manual change has been made and the file has been rebuilt. **

NOTIFY B/P/P IF FOREIGN NATIONAL

The program will pick up any employee enrolling in TRS that has an SSN starting with **000**. These are the temporary SSNs used in the B/P/P System for foreign nationals

without a valid SSN. In order to report these individuals via TRAQS, the B/P/P Operations Center will have to obtain a temporary ID number from TRS and modify the program that reports these individuals under a TRS assigned number.

Should an employee with a temporary SSN obtain a 'real' SSN and the employee has been participating in TRS, the procedures in #2 above apply. The name associated with the old temporary SSN should be changed to start with **QQ** and you will have to notify the B/P/P Operations Center so that the appropriate **MD** change record can be built to move the previous TRS deposits to the new SSN.

Warning: ** The workstation should not transmit their MD file until the manual change has been made and the file has been rebuilt. **

Regular Payroll (RP) Processing

The program BP8503 in the month-end job MONPAY04 builds a file and a work copy report of all of the payroll deposit activity for the month. The information is generated by employee within each of the TRS reporting districts. The reporting districts correspond to the payroll offices.

Payroll office personnel use the report produced by BP8503 to reconcile any changes or adjustments that need to be made. Such items might include the late notification of the termination of an employee, employees who did not have earnings through the end of the payroll processing period, or an additional deduction for an employee who was not paid in the previous month due to employment at the end of the month. Corrections to the file to be transmitted to the TRS may be made by using the BPP screens 316 or 317, respectively, for the example situations outlined.

The various payroll offices may need to enter corrections to modify cancellations or corrections processed through the payroll system for previous month's activity. These corrections are entered into the BPP System through screens 316 (TRAQS - Modify BPP Work File) or 317 (TRAQS - Modify TRS DB). Screen 316 is used to correct an entry being sent for the current reporting month. Screen 317 is generally used to add a record to update information for a previous reporting period. Frequently, both screens will be required to accurately report information to the Teacher Retirement System.

Once the reconciliation is completed and the payroll office has entered payroll correction(s), if necessary, they notify the B/P/P Operations Center (BPPOC) that they are ready for their final file. The Operations Center will then execute a WYLBUR process to separate the entire work file (built by MONPAY04) into files containing the TRS remittance data for each payroll office (a.k.a. TRS district number). This WYLBUR process will only need to execute once each month. The BPPOC will then process the job MONTRS01 and generate a file incorporating the corrections entered by the payroll office on screens 316 and 317. This job also loads the final production file to the SAGO TRAQS web site (sago.tamu.edu/TRAQS).

Following the load of the file, the payroll office personnel must then logon to the web site and download their final file to a site of their choosing. This could be their individual work station or a file server that they can access. The payroll office personnel will then sign on to the TRAQS web site (<http://www.trs.state.tx.us/traqs/traqs.htm>) and transmit the files to TRS.

When a Regular Payroll report is submitted, the TRAQS system will validate the contents of each record and verify that the totals of the employee deductions and covered wages of all detail records equal the totals of these values on the Lead Record. If the report passes these validations, it will be marked with a status of "Pending". If the report fails validation, it will be marked with a status of "Rejected" and the payroll office (reporting entity) will have to resubmit the report. If a report has a status of "Pending," the system will check each day to see if a signature/total has been submitted and if the State Comptroller's Office has reported enough money deposited to cover TRS contributions. Once all three items match, the report will be marked as "Complete" and the details from the report will be posted to member accounts. If all three items exist but do not match, the report will remain in a "Failed" status until the payroll office (reporting entity) resubmits the report, resubmits the signature/totals, or deposits enough money with the State Comptroller's Office to create a match. The sequence of the component's submission of the data, signatures and funds does not matter.

Employment of Retired Member (ER) Processing

TRS requires special reporting for individuals who are employed but who have also retired and are drawing TRS benefits. There are two reporting sections (Areas) for these types of employees.

Area 1 is used to report retirees who retired on or after January 1, 2001 and all disability retirees, regardless of when they retired.

Area 2 is used to report the number of retirees by position code that retired BEFORE January 1, 2001.

The B/P/P program BP8048 is processed each month-end. It scans for employees who appear to meet the reporting criteria for Area 1 reporting and will build a record for each individual. These records may be accessed via the B/P/P System Screen 318. Payroll Offices will then be required to enter the hours worked and other detail information on this screen. Once the data entry has been completed, the B/P/P Operations Center Production Control section should be contacted to generate the ER file. The ER file will then be transmitted by the payroll office just as the MD and RP files are submitted via TRAQS. Detail information is only generated for Area 1 employees.

Area 2 employees are entered on the signature page of TRAQS. The submission must have a 'Completed' status before it will be considered a valid submission for the reporting month.

If no working retirees are to be reported for a month, the payroll office should still contact the B/P/P Operations Center production Control section to request their ER report. The file will only have a header record and will inform TRS that there are no employees to be reported that month.

Additional TRAQS Considerations and processing requirements

Be aware, TRS employees have very limited ability to adjust information once it is sent to their system. The goal of TRAQS is to not have the data touched by TRS employees. Therefore, almost all corrections must take place at the originating agency or institution (i.e., us). This means there may be issues that come up as a warning on one month's member data report that will have to be corrected on subsequent member data reports or the warnings will continue to be produced. It is imperative that data in the B/P/P System be as clean as possible.

There are a couple of other reporting issues that will require special handling and manual intervention by the agency or the institution, TRS personnel and/or B/P/P Operations Center personnel.

Issue 1: Loss of ORP Eligibility.

Should an employee who is initially reported to TRAQS as eligible and enrolled in the Optional Retirement Plan (ORP), move or elect to enroll in TRS prior to his vesting in ORP, the agency or institution will have to notify TRS that the employee is no longer enrolled in ORP and will not be eligible for the program in the future. This will have to be done prior to the submission of the regular payroll (**RP**) file containing the member deposit for the employee making the change.

The TRS data files will have the employee coded as participating in ORP. As a result, TRAQS will force an error and reject the entire **RP** file that contains the deposit for this employee. The agency or institution will have to submit an e-mail to TRS stating that the employee is not vested in any ORP program and that he is not eligible to participate in the future in ORP. TRS staff members will then change the ORP participation flag in TRAQS. Following this change, the A&M System member will have to RESUBMIT their **RP** file for processing. Unless there is also a change required in the **RP** file, the file already on the BPP TRAQS web site is ready to be sent again and there is no need to contact the B/P/P Operations Center.

Issue 2: Temporary or Incorrect Social Security Numbers (SSN)

Occasionally, a foreign national employee is employed who does not have a valid SSN, or an employee has an invalid SSN entered into the B/P/P System for him. The process of changing the reporting of information under the correct SSN will require manual manipulation to correct the information between the B/P/P and TRAQS systems.

There are currently three TAMU foreign national employees who have a temporary SSN assigned to them in the B/P/P System. TRS identified these SSNs as being invalid (the

numbers started with 000-) and assigned their own temporary TRS SSN (starting with ID1-) when these employees started to work. Should these employees ever come to the United States and receive a valid SSN, they will also require manual intervention to report them under their valid SSN. Currently, the existing temporary TAMU SSNs are being intercepted and changed to the appropriate TRS temporary SSN. As long as there is no change to a valid SSN for these employees, this situation can continue until these employees retire. New foreign national employees will require this conversion process be set up for them per the instruction in the Member Data (MD) section of this document outlined previously.

Should you discover an employee has made deposits under an incorrect SSN or a foreign national employed under a temporary SSN receive a valid SSN, the agency or institution will have to notify the B/P/P Operations Center of the change. The B/P/P Operations Center will have to manually update the member's member data (**MD**) file to include a **25** record which move the information in TRAQS from one SSN to another.

BPP System TRAQS Web Site

Data from both MONTRS01 and MONTRS02 are loaded to the BPP System TRAQS web site (<https://sago.tamu.edu/traqs/>). This site serves as a common repository for all of the payroll offices (TRS reporting entities or districts) for the information once it is completed and ready for transmission to the Teacher Retirement System (TRS). Payroll office personnel will go to the web site and retrieve the data files they need to submit to TRS via TRAQS.

The BPP TRAQS web site is a secured site and a logon is required. The Logon ID for each payroll office is given in the table below. The password will have to be changed after the initial logon. If the personnel in the payroll office forget the password used in this process, the password will be e-mailed to the e-mail address identified as the responsible party at each payroll office.

The following are userids and e-mail addresses for the payroll offices:

<u>WRK STN</u>	<u>USERID</u>	<u>TRS Dstr</u>	<u>E-MAIL</u>
A -	TAES	0028	lk-lewis@tamu.edu
C -	TTI	0034	r-shirley1@tamu.edu
D -	TEEX	0033	r-shirley1@tamu.edu
E -	TEES	0031	r-shirley1@tamu.edu
F -	TFS	0030	wlf@tfs.tamu.edu
G -	TAMG	0032	smithd@tamug.tamu.edu
H -	HSC	2204	jnachlinger@medicine.tamu.edu
I -	TACC	1866	mwright@falcon.tamucc.edu
J -	TAMK	0020	v-howery@tamuk.edu
L -	TAMI	1871	nora@tamiu.edu
M -	TAMU	0001	rosalie@tamu.edu
N -	TAMT	2024	dee.broderick@tamut.edu
P -	PVAM	0007	dianne_alexander@pvamu.edu
R -	TAMC	0003	gloria_patterson@tamu-commerce.edu
S -	SAGO	2021	jwickline@tamu.edu
T -	TARL	0004	earnest@tarleton.edu
W -	WTAM	0026	lbourn@mail.wtam.edu
X -	TCE	0029	vsseidel@ag.tamu.edu

All of the files currently residing on the BPP TRAQS server will be displayed to the user when they log onto the web site. The user will then need to identify the particular file he wishes to download to transmit to TRS.

The BPP Operations Center will also have access to the files on this web site. They serve as the site administrators. All files located on the web site are available to the BPP Administrator userid. Periodically, files will be deleted by the BPP Production Services staff to maintain about 3-6 months of files on the web site. The number of files may be adjusted over time as experience is gained using the system.

Teacher Retirement System TRAQS Web Site

The Teacher Retirement System (TRS) TRAQS web site address is:

<http://www.trs.state.tx.us/traqs/traqs.htm>

A separate userid and password is required by TRS to access TRAQS for each person in each agency and institution in the A&M System. These userids and passwords are assigned by the Teacher Retirement System. The format for the userid is xxxnnnn, where xxxx is the TRS district number for your agency or institution and nnnn is a sequential number, starting with 0001. Various levels of access and/or processing options are associated with each userid. Some employees may only be able to view reports transmitted to TRS, others can transmit files via TRAQS, while other employees are 'signers' once data has been transmitted. Contact TRS for additional information and assistance with these userids.

Personnel in the BPP Operations Center do NOT have access to the TRS TRAQS web site. Therefore, while we might generally know of the requirements of the site from training and testing, we have not used the site in a production mode. However, we will offer as much support as possible to the personnel in the payroll offices.

U.S. Savings Bonds

At the end of each month, payroll offices act to secure and purchase the U.S. Savings Bonds for those employees who have elected to participate in this program via payroll deductions. The payroll offices prepare remittances to be made to a Federal Reserve Banking System (FRB) and the FRB generates the actual savings bond for an employee. Remittance must be made and funds received no later than the last working day of the month, during which the deduction was withheld, for the bond to have an issue date of that month. Otherwise, the bond will have an issue date of the following month. This impacts the maturity date of the bond and how quickly the employees earn interest and have access to the money.

There are two bond purchasing processes used by members of the A&M System. The simpler system allows for the processing of relatively few bonds by the employer. This option allows the work station to submit paper documents to request the generation of the bonds for their employees. The payroll office actually only submits changes to the FRB, otherwise, the FRB assumes that the Bonds to be processed for the current month are the same as the previous month. This simplifies the paper handling and processing requirements on their end. Because of the nature of the process, there is no need to contact the B/P/P Operations Center should a correction need to be made prior to submitting the bond requests to the FRB. This change can be made directly to the FRB in Minneapolis, Minnesota with the processing request. Currently, the payroll offices for TAMU-*Texarkana* and TAMU-*Commerce* use this procedure.

The second process involves the generation of a tape to be submitted by the payroll offices to the FRB in Kansas City, Missouri. Because of timing, these tapes are generally produced without request immediately following the generation of the month-end reports. Should there be a problem in the remittance amounts, the payroll office should contact the Production Control section of the B/P/P Operations Center and identify the nature of the problem. The Production Services staff will then make the necessary corrections to the data and generate a new bond remittance tape and report.

Both processes **require that the money** be forwarded to the FRB for deposit by the last working day of the month. The actual generation of the bonds may not take place until the following month. The key is the date the funds are received by the Federal Reserve Banking System. It is possible to submit the tape or bond request forms separately from the check, but as a general rule, both the tape and the check are submitted together.

Automated Purchases of U.S. Savings Bond through Payroll Deduction

Through automation of the procurement of United States Savings Bonds from the Federal Reserve Bank in Kansas City, Missouri, the current activities and man-hours spent on the purchasing of Bonds will be reduced. The system is intended to eliminate local financial institutions from having to provide bonds for the work stations. This activity will continue to occur during the month-end process. The following information should be reviewed and followed.

As an alternative to the automated procurement, for institutions and agencies with less than 25 bond purchases a month, the Federal Reserve Bank in Minneapolis, MN offers a manual procurement process. This process is currently utilized for the purchase of U.S. Savings Bonds for TAMU - Texarkana (**N**) and TAMU - Commerce (**R**).

Process

The following steps outline the process that should be followed by the payroll work stations to successfully purchase the US Savings Bonds for the employees they serve.

1. When you receive your month-end reports, pull all the Bond Reports and set to the side.
2. Check the reports and verify that the information is correct. Match the total amounts from the Bond Purchases Recap with the appropriate total amounts on the Status Report. Compare the deduction amounts from the Bond Reconciliation Report with the total deduction amount on the Status Report. If you have a refund, make sure the refund amount has zeroed out the ending balance on the Status Report. A refund should be made if the bond deduction code is set to **N** and a balance exists. If you wish to bypass the bond deduction for a single period, use the stop date on the Bond Screen.
3. If the reports are not correct, do the following:
 - a. Make sure the reports belong to your payroll office (work station).
 - b. If they are your reports, find the problem. The tape should not be produced until the reports are reconciled and balanced. Items to look for include new employees transferring from another work station, old employees transferred to another work station, etc.
4. If the reports are correct, do the following:
 - a. Begin procedures to have a check made payable to the Federal Reserve Bank in Kansas City for the purchase amount of the bonds. The State Vendor I.D. Number is 1-440-54-5874-7.

- b. Are you converting any bonds? (See Important Notes - Bond Conversion)
YES - Make notes on the Bond Purchases Recap of the bonds that are to be split/converted. Using the Summary Report that is to be mailed to the FRB, make sure the total amounts are the same. Then check to see that more bonds are being purchased on the Summary Report than the Purchases Recap Report. Proceed to 4c.
NO - Proceed to 4c.
 - c. Notify B/P/P you are ready for your Bond Tape.
 - d. Check your Federal Reserve Reports and make sure the total amount matches the total amount of the Bond Purchases Recap. If you answered YES in 4b make sure the bonds split/converted are as they should be.
5. Put in one box:
 - a. 1 copy of the FRB of Kansas City Summary Report
 - b. 1 copy of the FRB of Kansas City Detail Report
 - c. The check made payable to the FRB of Kansas City
 - d. The Bond Tape
 6. Mail or express mail to:
Federal Reserve Bank of Kansas City
Savings Bond Division
925 Grand Boulevard
Kansas City, MO 64198-0001
 7. The bonds should be mailed within 15 working days after receipt.
 8. The Federal Reserve will send to you a microfiche detail of the bonds purchased and return your Bond Tape.

Special Note: If there is insufficient time to receive the reports and tape before the last day of the month, send the check in immediately with a note saying the tapes and report will be forthcoming. The remote payroll offices (work stations) might consider making this standard operating procedure.

Important Notes

- * The state abbreviation code on the Bond Screen of the Personnel File must be the proper code set up by the United State Postal Service. The FRB will also check to make sure the Zip Code belongs to that state. If either is incorrect, the Bond Tape will be returned and we will have to re-process.
- * The Bond Owner Social Security Number on the Bond Screen must always be present, numeric, and cannot contain all the same number. Example: 999999999 and 000000000 are not allowed. We cannot purchase bonds for an individual unless we have his/her Social Security Number. If this happens, the tape will be returned and we will have to re-process.
- * The Bond Owner Name must always be present on the Bond Screen and contain no punctuation or titles. Enter this name the same way you do for the Personnel File. Last Name First Name Middle Initial. (No commas, hyphens, apostrophes, etc.)
- * If the Beneficiary/Co-owner indicator is "B" or "C" on the Bond Screen, a name must be entered in the name field of the Bene/Co-owner section. The Beneficiary/Co-owner can **not** be the same as the Bond Owner. The FRB will reject this and we will have to re-process.
- * If you have problems with bonds (delivery, lost, returns, etc.) call the Kansas City FRB at **1-800-333-2919** and ask for the "Payroll Department". Have your company identifier code, the Bond Owner SSN, and your reports handy. You will need them in order for them to expedite the process.
- * **Bond Conversion - This facility is designed to allow employees to purchase more than two U.S. Savings Bonds. It is designed to take the deduction data from one of the bond deduction segments on the Personnel File and split the deduction into however many bonds have been entered into this facility to be passed onto the Federal Reserve Bank for the actual generation of the bonds. There are two very important restrictions that MUST be followed: (1) the new bonds generated must all be in the same denomination and (2) the bond deduction amount to be taken each month MUST be the purchase value of all the bonds to be purchased (i.e., there can not be any accumulation of bond deductions for purchases in subsequent months).**
- * **For example, an employee wants to purchase three \$100 bonds each month. One method to accomplish this would be to set up the first bond deduction on the Personnel File bond deduction screen to purchase one \$100 bond and set up the second bond deduction bond on the Personnel Database bond deduction screen to purchase a \$200. The payroll work station would then fill out and submit a BOND REDISTRIBUTION REQUEST form to the B/P/P Operations Center instructing the Production Control area to set up a**

bond_conversion record that would split the \$200 bond deduction into two \$100 bond purchases, each may be made out to different bond owners.

Again, the total of the bond deduction amount Must be enough to cover the purchase value for all of the bonds entered into this facility (i.e., no partial bonds or leftover balances are allowed using this facility).

Contact the B/P/P if more information on Bond Conversions is needed

Questions and Answers

- Q.** How long does it take for bonds to mature?
A. It takes 12 years for the bonds to mature to face value. They may mature sooner if interest rates rise.
- Q.** What interest rate is paid on bonds?
A. Guaranteed 6% if held for 5 or more years.

Fixed sliding scale for first five years (November, 1986)

After 6 months up to 1 year - 4.16
After 1 year up to 1.5 years - 4.27
After 1.5 years up to 2 years - 4.43
After 2 years up to 2.5 years - 4.64
After 2.5 years up to 3 years - 4.82
After 3 years up to 3.5 years - 5.01
After 3.5 years up to 4 years - 5.26
After 4 years up to 4.5 years - 5.5
After 4.5 years up to 5 years - 5.76

- * There may be certain economical conditions that may allow a higher interest rate to be paid before maturity is reached. Each individual would have to examine his or her condition in order to determine if it is profitable to sell early and buy younger bonds.

No penalties are charged for cashing in before maturity date.

The 6% can change every six months. This rate is based on 85% of all Treasurer Securities.

- Q.** When is the Federal Income Tax paid?
A. You will receive a Form 1099 when you cash in the Bond and you will file this with you federal income tax return.
- Q.** What steps need to be taken to cancel/re-issue a bond?

- A. File a Lost Bond Claim through the FRB in Kansas City.
- Q. Who can cash a bond if a co-owner is listed?
A. Either person listed on the bond as a co-owner may cash the bond.
- Q. Who can cash a bond if a beneficiary is listed?
A. Only the owner unless deceased. If deceased, the beneficiary must provide a death certificate to cash bond.
- Q. How much can you have deducted?
A. \$15,000 per year.
- Q. Do you have to have a co-owner or beneficiary?
A. No - But if you die without a beneficiary, the bond becomes part of the deceased's estate and ownership will be determined by State probate laws.
- Q. How long do you have to wait before you can cash a bond?
A. Six months after issue date.
- Q. What do you do to use bonds for a child's education?
A. The parent's name must appear on the bond as the owner. The child's name may only be listed as the beneficiary, but does not have to be. When the bond is cashed in, a special IRS Form will be filed. This only applies to tuition and receipts must be presented when the forms are filed.
- Q. Can you buy more than one (1) bond?
A. Yes - Up to \$15,000 per year. The total number of bonds purchased is not an issue.
- Q. Can bonds be mailed to someone other than an employee?
A. Yes, as long as they live within the United States.
- Q. Are bond proceeds taxed when redeemed?
A. Yes, unless they are to be used for a child's education and all the conditions for tax exemption are met.
- Q. Are bond deductions pre-taxed?
A. No.

U.S. Saving Bond Month-end Processing Considerations

Bond Deduction Code Considerations

The Deduction Code (DED-CD) for the US Savings Bond payroll deduction controls both the taking of a bond deduction during payroll processing AND the purchasing of bonds made during month-end report processing. As a general rule, **never make changes in the bond deduction code between the period when the payroll deduction is made (part of payroll calculation process) and the month-end report processing.** For example, for a monthly paid employee, if the monthly payroll is processed on the 18th of the month and the month-end processing occurs on the 25th, no changes should normally be made to the Bond DED-CD for monthly paid employees during this period. For biweekly paid employees, if the first biweekly payroll for the month is processed as early as the 29th of the preceding month (with a pay date of the 1st for the new month) and the month-end processing occurs on the 25th, no changes should normally be made to the Bond DED-CD for the biweekly paid employees during this period.

If changes are made during this period, review all of the month-end bond reports carefully to insure that the desired outcome of the bond reporting occurs as expected for the employee. This includes the following reports:

- Bond Purchases Recap Report
- Bond Deduction Refunds Report
- Bond Purchasing Status Report
- Bond Purchasing Error Report

Depending on other payroll activity and other changes occurring to the employee's records in Personnel Maintenance, these reports may also be affected. This is especially true should the employee be ending employment with the A&M System or if the employee is transferring between two members of the A&M System.

If an employee is changing positions that results in a change of the work station code there must be coordination between the two work stations to insure the financial integrity of the purchases, refunds and/or transfer of bond balances for both the employee and the bond clearing accounts of the payroll work stations involved. The work station code recorded on the Personnel File when the month-end reporting occurs determines where ALL bond activity for the month is reported, regardless of the work station code on the transactions when the bond deductions were made. Purchases will be made as if the new work station has been responsible for the entire bond reporting for this employee since he first started having bond deductions made. If the work station the employee is transferring from has a remaining balance for a partial balance from previous months or a balance for deductions this month (biweekly paid employee), then the work station needs to generate a check payable to the new work station to move the balance of the bond deductions to the new work station for that employee.

In an ideal world, the payroll deduction for bonds for an employee is the exact amount needed to buy a bond each month. In this case, there is no left over balance each month

and the deductions made are the exact amount to complete the purchase of the bonds each month. Most employees do not live in the ideal world.

Bond Reports:

Bond Purchases Recap Report

This report details the purchases that are to be made for the month being processed. For an entry to be made on this report, the employee must have a DED-CD of **Y** and the bond deduction accumulation amount must be greater than or equal to the bond cost amount.

Bond Deduction Refunds Report

This report details those records that have a bond deduction accumulation amount greater than zero with a DED-CD of **N**. The employee will remain on this report until the refund is processed through payroll (as a negative deduction or a refund) or the payroll work station notifies the B/P/P Operations Center that the refund has been processed manually (through the accounting system) and the bond deduction accumulation amount should be changed to zero.

Bond Purchasing Status Report

This report details all employees with some type of bond deduction activity in the month. The report shows the balance brought forward from the previous month, the new deductions made for the month being processed, any purchases being made for the month being processed and a new ending balance. Again, the assumption is that the payroll work station code detailing the employee's purchase was also the work station that took the payroll deduction originally. Otherwise, funds should be transferred to cover the amount of the purchase(s).

Bond Purchasing Error Report

This report identifies employees who appear to have a significant problem relative to bond deductions. For the most part, these employees have a problem (either equal to zero or has a negative value) in one or more of the following fields: (1) the FYTD deduction amount, (2) FYTD purchase value, (3) bond deduction accumulation amount or (4) the bond cost.

Bond Reconciliation Report

This report is helpful when there is a discrepancy between the deductions listed on the Bond Purchasing Status Report and the bond deductions on the month-end Payroll Fund Report. It details the actual employee deductions taken during the month by a work station. The report identifies deductions that need to be transferred to another work station, if no purchase has been made for that employee on the Bond Purchases Recap Report for the month and sufficient funds were available for purchases. The employee should be listed in the Bond Purchases Report of the work station to which the employee transferred.

U.S. Saving Bond Tape Generation Considerations

In September 2005, the issue of the most effective manner to transmit the data (bond purchasing information) to the federal reserve banking system was again reviewed. The TAMU CIS has allowed the department to use the older technology 3480 tapes and tape drives for several years. The tapes being used are old and somewhat worn. Failures are being experienced at the rate of 1 about every six months out of the approximately 90 tapes submitted. The tapes are sent to the various payroll workstations that send them on to the Federal Reserve via US Postal service. They are returned to us for re-use.

Other options currently supported by the Federal Reserve include:

- 3490 E tapes (twice capacity of 3480 tapes)
- 3490 Z tapes (dense format)
- Diskettes*
- CDs*
- Modem transmission*

* The diskette, CD and modem options would require the conversion to a different data format.

No ftp capability is currently supported because of security issues.

After reviewing these options, it was decided to stay with the current format. There is a ready and steady supply of old tapes being recycled from the tape silo. The failure rate is not such that it is prohibitive of the employees receiving their Bonds in a timely manner (the date is based on the arrival of the funds, not the data to cut the actual bonds). The newer tapes are more expensive and require a silo label. The amount of data on the tape is very small.