

PeopleSoft Manage Base Benefits 9

Thrift Savings Plan Enhancement Act of 2009

March 2013



PeopleSoft HCM 9.0 PeopleBook Update: PeopleSoft Manage Base Benefits 9 - Thrift Savings Plan Enhancement Act of 2009

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Contents

Introduction	4
Configuring Thrift Savings Plan (including ROTH)	5
Service Step Calculation	8
TSP Interface	9

Introduction

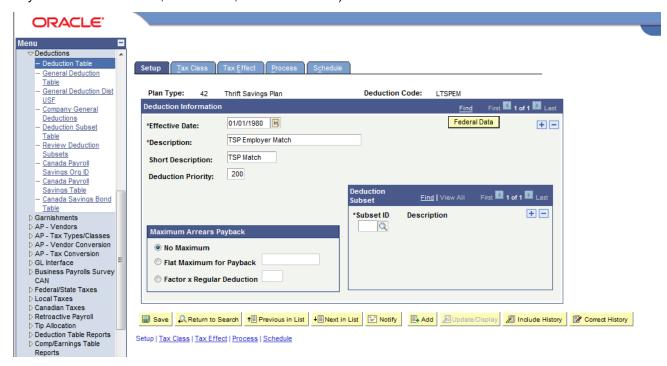
On June 22, 2009 the Thrift Savings Plan Enhancement Act of 2009 (Public Law 111-31) was signed into law authorizing the Thrift Savings Plan (TSP) to add a Roth 401(k) feature to the plan. For more detailed information on the new Roth program and the policy with how it interacts with the traditional Thrift Savings Plan, click on the link below.

https://www.tsp.gov/PDF/bulletins/10-13.pdf

Configuring Thrift Savings Plan (including ROTH)

Throughout this document, we are using Plan Type 42 LTSP1 for Thrift Savings Plan and Deduction Code LTSPEM for TSP with employer match.

To identify which deduction code is used for TSP Savings Plan, access (Set Up HRMS, Product Related, Payroll for North America, Deductions, Deduction Table) and select the 'Federal Data' button.

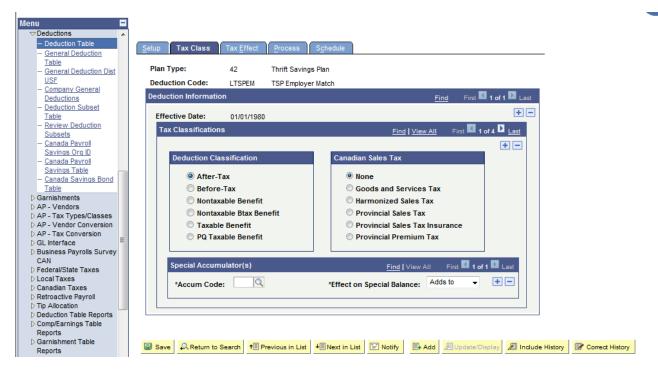


Reporting Code: 'TSP EE Contrib - Agency Match' is for TSP Savings Plan.



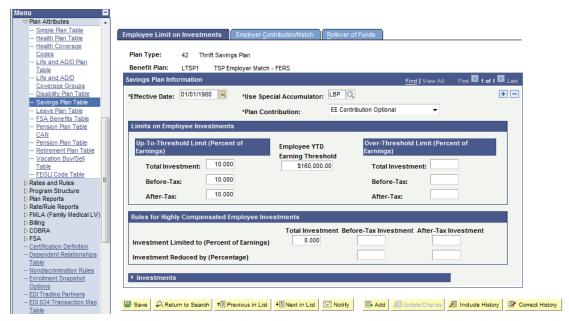
TSP is before tax deduction and ROTH is after tax deduction. Using the same Benefits Plan Type that was set up currently for TSP, add additional tax class for ROTH deduction.

Add After Tax and Non-Taxable Benefits to Deduction Code LTSPEM.



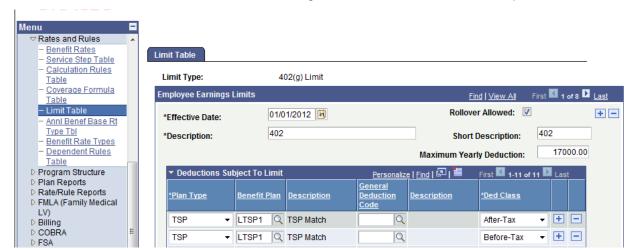


The Threshold Limit has not changed. The Total Investment is still 10%. The Before-Tax stays with 10%. Add 10% to the After-Tax since the limit of contributing to ROTH is also 10%.



Put a 5% to the Combined % Earnings Limit to the Employer Limit since the combined TSP and ROTH ER Match limit is 5%. Continue to use Service Step Table LTSP1.





Add TSP Benefit Plan LTSP1 After-Tax to the 402g limit table – this is for the catch-up

Service Step Calculation

Current Savings Plan employer match per employee contribution Before and After Tax using Service Step are calculated independently. Roth contributions are added to traditional contributions when determining the percentage of pay being contributed for purposes of the Agency Matching Contribution formula. Thus, the total amount of employee contributions (whether traditional or Roth) is used in the formula.

The requirement to calculate ER Match is always use the combine of the TSP and ROTH contribution:

- 1. The 1st 3% of contribution is 100% ER Match
- 2. The remaining contribution is 50% ER Match
- 3. Total contribution for matching cannot exceed 5%

Current Employer Match Calculation:

BTax Tax Employee Contribution = 4000 * 2% = 80

ATax Tax Employee Contribution = 4000 * 4% = 160

PTax Employer Match = 4000 * 2% * 100% = 80

NTax Employer Match = 4000 * 3% * 100% = 120

New TSP Roth Employer Match Calculation:

BTax Tax Employee Contribution = 4000 * 2% = 80

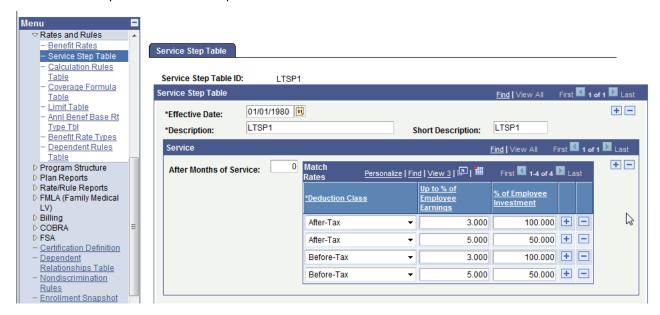
ATax Tax Employee Contribution = 4000 * 4% = 160

PTax Employer Match = 4000 * 2% * 100% = 80

NTax Employer Match = 4000 * 1% * 100% + 4000 * 2% * 50% = 80

The new TSP Employer Match calculation logic is used only if the deduction is for TSP EE Contrib-Agency Match, i.e. Reporting Code = 'TSP EE Contrib – Agency Match'.

The Service Step Table can be setup like this:

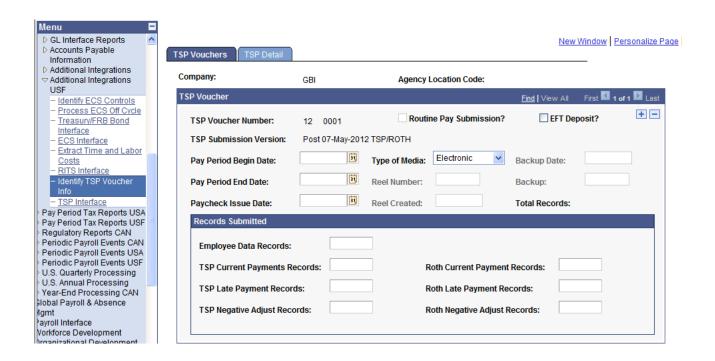


TSP Interface

With the introduction of ROTH, the 'Identify TSP Voucher Info' page has been modified. The 'Post 07-May-2012 TSP/ROTH' is the only version of TSP file supported in the system. For this version of TSP file, the following record types will be supported:

- 16 TSP current payment record
- 46 TSP late payment record
- 26 TSP negative adjustment record
- 12 Roth current payment record
- 42 Roth late payment record
- 22 Roth negative adjustment record

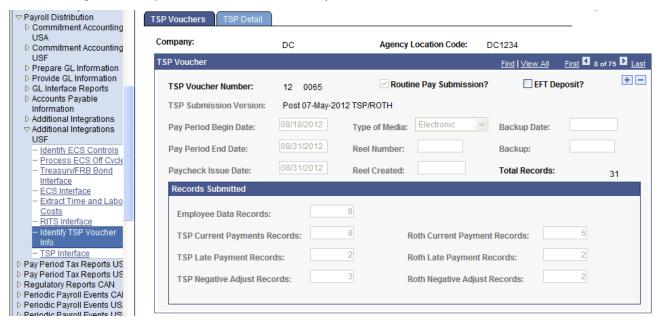
'Electronic' and 'Web' are the new types of media added to this page. A new TSP voucher has to be added and saved before each TSP interface run.



On TSP interface file run control, the pay run ID, process cycle and interface file name will be entered. Select to run on-cycle or off-cycle separately.



'Records Submitted' area provides details on record counts for record types of TSP and ROTH on the interface file generated by the TSP interface run. They will be added to the 'Total Records'.



TSP Detail shows a new column of the Roth Employee Contribution amounts and Total on the interface file.

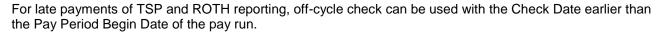


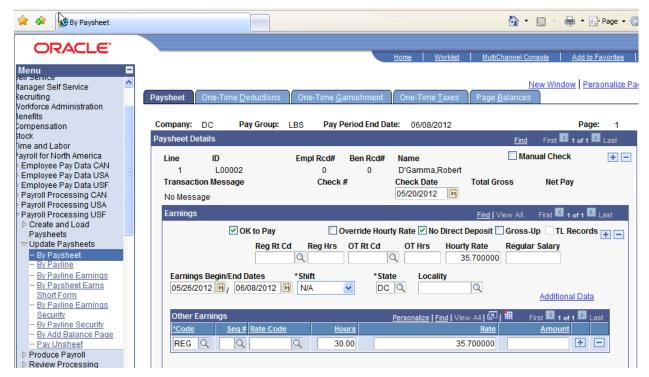
TSP-2

The TSP-2 form will be in the new form layout for TSP and ROTH.

THRIFT SAVINGS PLAN

CERTIFICATION OF T AND JOURNAL VOUC			NDS	5				
I. IDENTIFICATION								
To: TSP Agency Technical Services Fairfax Post Office ATS - P.O. Box 4570 Fairfax, VA 22038-9998 Telephone: (\$88)802-0179 Fax Number: (703)788-2936	1. From: Unit 77 192 High Street Washington,DC 20012							
Payroll Office Number DC1234	R	ournal Vouch Report Numbe 2 - 0064	 Current Pay (mm/dd/yyy) 08/31/2012 		X Electr	-72		
II. RECORDS SUBMITTED								
		Tax-deferred		Roth			Total	
6. Number of Employee Data Records						8		
7. Number of Current Payment Records			8	6			14	
8. Number of Late Payment Records			2	2			4	
9. Number of Negative Adjustment Records			3	2			5	
10. Total Number of Records		1	3	10			31	
III. RECORDS BY CONTRIBUTION	sot							
	Total Current and Late Pa (in dollars)			-	nts Total Negative Adjustments (in dollars)			
Tax-deferred Employee Contributions		11. \$		523.24	16.	\$	7.50-	
Roth Employee Contributions		12. \$	2. \$ 693.11		17.	\$	11.50-	
Agency Automatic (1%) Contributions		13. \$	3. \$ 177.15		18.	\$	6.50-	
Agency Matching Contributions		14. \$		634.83	19.	\$	11.50-	
Totals		15. \$		2,028.33	20.	\$	37.00-	
Control Total					21.	\$	1,991.33	
IV. CERTIFICATION								
I certify fact (1) product measures have been taken to carant applicable law and TSP procedures; (2) the amount in Black	to be covide the (2) the is payou up control or Care	available to be credit error. I understand it meansy to be returne 1739 System will cal off submission is pro- cributions as of the "C need only if it is estab- tishing Officer	ed to the at (1) to d to the culate to consider intract lished	is TSP receipt account the amount of the cross of the cro	and (3) t may be sounte the and obe r the "Co his agen was one 571	the amount in reduced by at, under applic greatin agency treat Pay Date, cy's Tosestry ac sed by TSP — 95: Number)	xount	





Another way to report late payment adjustments for TSP and ROTH is through the TSP Adjustment page. The component has been enhanced to capture the processed and unprocessed adjustments on a page instead of two.

A TSP adjustment will have the 'Processed' status after the TSP interface run, while an unprocessed adjustment will remain in the 'Ready' status.

