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PeopleSoft Manage Base Benefits 9

Thrift Savings Plan Enhancement

Act of 2009

March 2013

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

Contents

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.
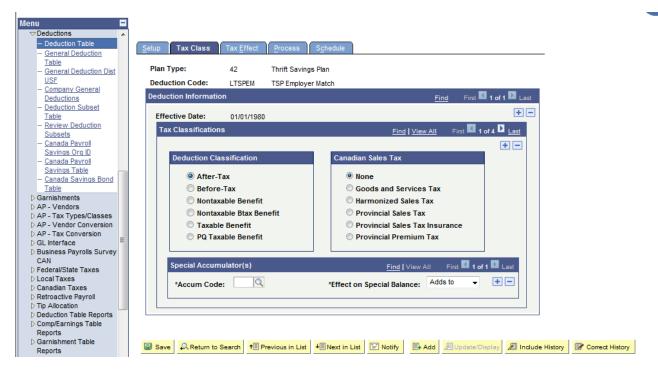
Reporting Code: 'TSP EE Contrib – Agency Match' is for TSP Savings Plan.
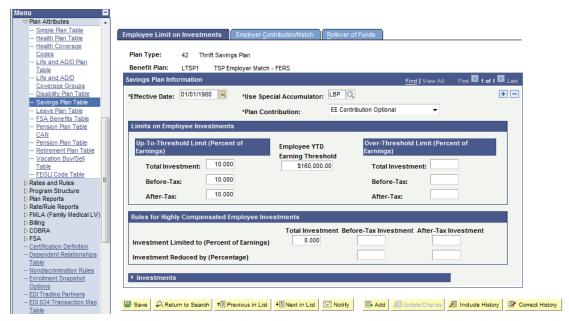
TSP is before tax deduction and ROTH is after tax deduction. Using the same Benefits Plan Type that was set up currently for TSP, add additional tax class for ROTH deduction.

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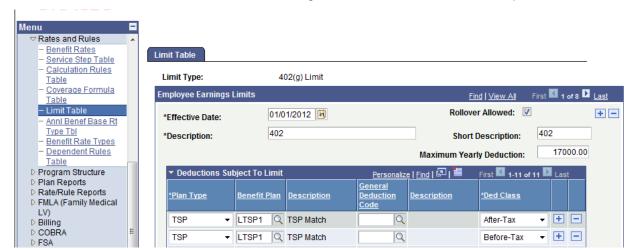
The Threshold Limit has not changed. The Total Investment is still 10%. The Before-Tax stays with 10%. Add 10% to the After-Tax since the limit of contributing to ROTH is also 10%.

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:
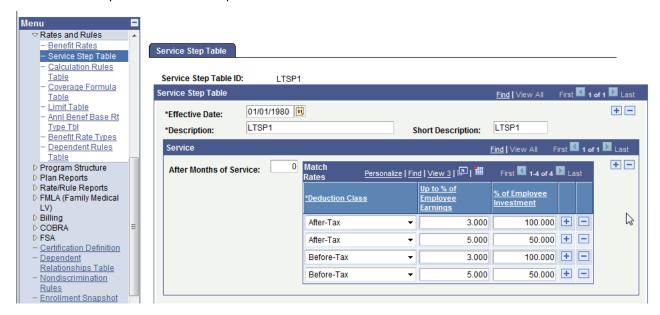
BTax Tax Employee Contribution = 4000 * 2% = 80

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:
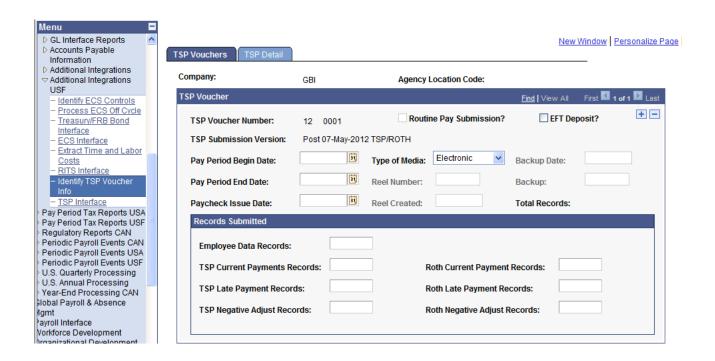
TSP Interface

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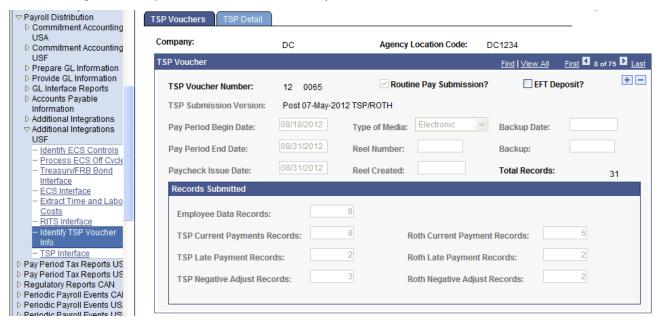
'Electronic' and 'Web' are the new types of media added to this page. A new TSP voucher has to be added and saved before each TSP interface run.

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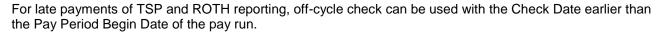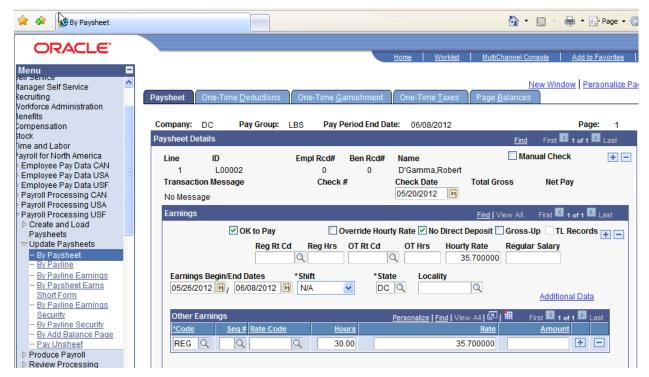
The TSP-2 form will be in the new form layout for TSP and ROTH.

THRIFT SAVINGS PLAN — TSP-2
CERTIFICATION OF TRANSFER OF FUNDS
AND JOURNAL VOUCHER

I. IDENTIFICATION

To: TSP Agency Technical Services
Fairfax Post Office
ATS - P.O. Box 4570
Fairfax, VA 22038-9998
Telephone: (888)802-0179
Fax Number: (703)788-2936

1. From:
Unit 77
192 High Street

Washington, DC 20012

2. Payroll Office Number	3. Journal Voucher Report Number	4. Current Pay Date (mm/dd/yyyy)	5. Type of Media
DC1234	12 - 0064	08/31/2012	[X] Electronic Submission [ ] Web-based application

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	13	10	31

III. RECORDS BY CONTRIBUTION SOURCE

|	Total Current and Late Payments (in dollars)	Total Negative Adjustments (in dollars)
Tax-deferred Employee Contributions	11. $ 523.24	16. $ 7.50-
Roth Employee Contributions	12. $ 693.11	17. $ 11.50-
Agency Automatic (1%) Contributions	13. $ 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 that (1) prudent measures have been taken to ensure that the TSP transactions associated with this voucher are correct according to applicable law and TSP procedures; (2) the amount in Block 15 is available to be credited to the TSP receipt account; and (3) the amount in Block 20 may be credited to this agency's account if found to be correct. I understand that (1) the amount of the credit may be reduced by any investment losses computed by the TSP in connection with the money to be returned to the agency and by any amounts that, under applicable law or TSP procedures, may not be returned to this agency; (2) the TSP System will calculate the associated breakage and charge this agency's Treasury account with the attributable expense; and (3) if this payroll submission is processed more than 30 days after the "Current Pay Date," the TSP System will calculate breakage on employee makeup contributions as of the "Correct Pay Date" and charge this agency's Treasury account with the attributable expense. Such additional charges will be reversed only if it is established that the late processing was caused by TSP record keeper error.

22. YULICKI,INGRID
Typed or Printed Name of Authorized Administrative or Certifying Officer

23. _____
Signature of Authorized Administrative or Certifying Officer

24. (301) 571 - 9596
Telephone (Area Code and Number)

25. ( ) -
Telefax (Area Code and Number)

26. _____
Date Certified

For late payments of TSP and ROTH reporting, off-cycle check can be used with the Check Date earlier than the Pay Period Begin Date of the pay run.

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.