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Customer Case Study: Worldwide Benefits Using PeopleSoft HCM 9.0

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Introduction

In this presentation learn how Optimum Solutions helped a major international law firm meet their unique challenges leveraging v9.0 for: Medical Premiums based on Coverage & Salary Level using new 9.0 Flexible Rate structure; domestic Partner Benefits using new 9.0 Coverage Codes and Flexible Rate structure; International Benefits using USD basis with multiple Annual Benefits Base Rates; and Survivor Benefits using 9.0 Person Model enhancements.

About Paul, Hastings, Janofsky & Walker LLP

Since their start in 1951, Paul Hastings' growth has been driven by its founders' vision to create an institution whose services were sought by leading companies and financial institutions around the globe because of their reputation for providing premier legal services. Their vision was realized as the firm moved beyond its Los Angeles headquarters in 1974 and today continues to expand into key markets around the world to support their our clients' evolving needs.

With more than 1,200 lawyers and 18 offices in major business centers across Asia, Europe, and the U.S., Paul Hastings has the global reach and extensive capabilities to provide personalized legal service wherever their clients' needs take them.

Challenges

Paul Hastings set out to implement an enterprise scale resource management platform to support increasing business demands. Driven by a desire to more efficiently utilize and share internal information across multiple business units, and enhance HR management processes across offices both within and outside of the US, they chose to implement Oracle's PeopleSoft Enterprise HCM version 9.0.

Specific requirements for managing their employee Benefits for their worldwide staff using the Benefits Administration product include:

- Providing Domestic Partner Benefits for Same Sex and Opposite Sex Domestic Partners
- Calculating Medical Premium costs based on the participant's salary level as well as coverage level
- Managing Benefits for non-US participants while expressing the coverage amounts and premium costs in US dollars.
- Providing benefits such as Long Term Care coverage and Legal Services coverage.
- Providing benefits to survivors of deceased participants while maintaining premium costs information.

Solutions

PeopleSoft Enterprise HCM version 9.0 offers enhancement in the Benefits area which address many of these areas of concern. The new flexible Rate Table structure allows users to define multiple elements that, in combination, describe the premium rates. Simple Plan types provide the option of defining benefits that don't conveniently fit into delivered Plan Types. Definable online Certificate questionnaires can be configured to support qualifying participants as Domestic Partner or Tax Qualified Dependents.

Domestic Partner Benefits

Paul Hastings offers US based Domestic Partner benefits for Same Sex Partners. In addition, for residents of Los Angeles and San Francisco, they offer Domestic Partner Benefits for Opposite Sex Partners.

By defining the Dependent Relationship for the Domestic Partner relationship as 'No Gender Validation', then Domestic Partners of either sex can technically be enrolled. Control of enrollment is currently handled administratively, however with the future roll-out of eBenefits, online Certificates will control enrollment of the appropriate Domestic Partner types.

In addition, using the current version of PeopleSoft, you are no longer required to configure Domestic Partner coverage by Plan Type. By defining Coverage Codes with Domestic Partners and building the coverage options within the regular Medical and Dental Plan Types on the Benefit Program table, the configuration and enrollment options become simpler and easier to maintain.

Medical Premiums

Premium costs for Medical coverage are defined at Paul Hastings as based on Salary Tier + Coverage Level. A participant earning \$45,000 annually enrolled at the Employee Only level will pay a different amount than a participant earning \$100,000 annually enrolled at the same level.

PeopleSoft HCM version 9.0 provides the ability for users to define Benefits Rate structures. To accommodate Paul Hastings requirements, we first establish a Benefit Rate Type code using the fields: Coverage Code - with the operator (=), and Benefits Base - with the operator (>=).

Next we built the Benefit Rate Table using this Rate Type. In version 9.0, benefit rates for a plan are built in a single table in rows, rather than as separate rate codes.

Example:

Coverage Code (=)	Benefit Base (>=)	Employee Rate
1	0.00	45.00
1	50000.00	90.00
1	100000.00	140.00

In addition, you have the option of configuring the rates broken out by Before-Tax Rate, After-Tax Rate, Non-Taxable Rate, and Taxable Rate. This supports the taxation rates for Domestic Partner coverage.

International Benefits

Paul Hastings requires that non-US paid benefits participants are reflected with US Dollar equivalent amounts for Coverage (such as Life Insurance and LTD) as well as salary based Premium Costs (for Health, Life Insurance, LTD, etc.) All benefits coverage and costs at Paul Hastings are configured in US Dollars. However, the Paul Hastings employees are being tracked with their compensation in local currency. Ordinarily, in PeopleSoft the participant's compensation currency must match the benefits currency to calculate coverage and costs properly.

The resolution arrived at is to leverage the Multiple Annual Benefits Base Rate feature, with a minor customization. We defined an Annual Benefits Base Rate Type as 'USD' – US Dollar. For each non-US employee we store the US Dollar equivalent annual compensation in the ABBR record.

However, we discovered that, as delivered, the ABBR record inherits the Currency Code from the employee's Job/Compensation record. By adding PeopleCode to the ABBR record, we update the Currency Code to 'USD' – US Dollar when the ABBR Type of 'USD' is entered.

The final step is to define a Calculation Rule that uses the Annual Benefits Base Rate of 'USD' as Benefit Base Source, and associate the Calculation Rule to the appropriate benefits on the Benefit Program table. This structure supports the calculation of Coverage and Costs for non-US participants using US Dollar equivalent values.

Simple Benefit Plans

In previous version of PeopleSoft there was an ever present challenge when defining Benefit Plans that did not fit into the delivered Plan Type structure. Typically, one would either chose a Plan Type that was fundamentally similar, while ignoring certain built in functions, or forgo using the Benefits system and instead use General Deduction codes to track benefit participation.

PeopleSoft has attempted to address this by providing more flexibility in defining benefits by creating a new family of Plan Types. In PeopleSoft HCM version 9.0 Plan Type codes beginning with the letter 'A' are defined as Simple Plans. When configuring the Plan Attributes for Simple Plans you do not have a pre-defined structure, you can configure the plan with just a Benefit Plan code and description, or link to a custom page built specifically for your purposes. PeopleSoft delivers the Plan Types 'A0' – Long-Term Care, 'A1' – Legal Services, and 'A2' – Wellness Credit.

Paul Hastings offers a variety of Long-Term Care coverage; with multiple vendors providing both Employee Long-Term Care and Spouse Long-Term Care policies, as well as a Legal Services plan. These benefits have been configured using the Simple Plan types; additional Plan Type 'A' codes were configured to accommodate the multiple Long-Term Care plans.

Survivor Benefits

Under certain circumstances, when an active employee or retiree dies, Paul Hastings continues to provide coverage for their surviving spouse and dependents. The survivor must now be reported as the primary participant through vendor interfaces, and the cost of benefits must be reported along with regular participant's costs for accounting purposes.

In the absence of Pension Administration, there is no direct method for managing survivor benefits in PeopleSoft. The challenge was to design a business process using delivered functionality.

Using the Person Model, first made available in PeopleSoft version 8.9, we explored the options of defining survivors as Person of Interest (POI) types. We discovered that, as delivered in PeopleSoft, POIs cannot be associated with a Benefit System code of 'Base Benefits' or 'Benefits Administration'. This feature prohibits the enrolling of POIs into benefits.

Consequently, the decision was taken to define survivors as Contingent Workers (CWR). As delivered in PeopleSoft, CWRs can be associated with a Benefit System of Base Benefits (not, however, Benefits Administration), allowing for enrollment in benefits using manual processing.

Conclusion

We have seen how PeopleSoft Enterprise HCM version 9.0 offers enhancement in the Benefits area which address many of requirements of Paul Hastings for managing their employee Benefits for their worldwide staff:

- Providing Domestic Partner Benefits for Same Sex and Opposite Sex Domestic Partners
- Calculating Medical Premium costs based on the participant's salary level as well as coverage level
- Managing Benefits for non-US participants while expressing the coverage amounts and premium costs in US dollars.
- Providing benefits such as Long Term Care coverage and Legal Services coverage.
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