

# ABC's of PeopleSoft Benefits Administration

Casi Persons

*Stanislaus County*

**Introduction** – The ABC's of PeopleSoft Benefits Administration reveals the Advantages and Booby Traps along with focusing on the Collaboration it takes for a successful Benefits Administration process. Implementing Benefits Administration for the first time user or for that matter, those that have been using Ben Admin for years, can be an overwhelming process.

**Overview** – Stanislaus County services a population of 5000 employees and 125 Cobra participants. The County converted from a Legacy system to PeopleSoft version 7.0 in December 1998, upgraded to version 8 sp1 in November 2002 and upgraded again to version 8.9 in May 2007. Went live with Ben Admin, Cobra, Benefits Billing, FMLA and Retro Benefits Processing. The County just recently went live with a portion of the e-Benefits product using the Savings and Life Beneficiary changes along with Summary views. The plan is to phase in the Life Events portion by the end of the summer 2008.

**Advantages** – ROI from the implementation of PeopleSoft Ben Admin resulted in a reduction of headcount by 50% which reduced costs while increasing productivity, efficiency and customer service. Our Vendor interaction went from manual spreadsheets to interface file. It reduced the time and labor required to prepare open enrollment. All of our benefits eligibility was determined manually. Now Ben Admin automatically determines eligibility and prepares the appropriate options for the employee. Cobra was offered manually via spreadsheet and word document for about 35 events per month. Cobra is now produced instantly through the Ben Admin process which provides an enrollment form and information along with automatic enrollment into the Billing program when someone elects. Billing did not exist in our old Legacy system. Now we provide monthly billing statements for about 150 Cobra and LOA participants. FMLA processing was tracked manually via spreadsheet for about 100 requests per month. Now FMLA is calculated in PeopleSoft when a request is entered and a notification is prepared automatically. Retro Benefit deductions were handled through payroll manually. Now the retro's are calculated by running a process and instantly loaded to the paychecks. eBenefits makes it possible for our employees to change their savings contributions online, about 50 per month. Also Life Insurance Beneficiary changes can be completed by the employee online, about 20 per month.

**Booby Traps** – There were several challenges we had to address to assure success. Working well with the Human Resources and Payroll departments is a big part of a successful process. The use of Correction mode by HR can cause several issues for Ben Admin. When they delete an effective dated Action row, it can cause a disconnected event in Ben Admin. Changing a Hire Date can cause the Primary Job Flags to be out of sync which will cause errors for payroll processing also. Employees with multiple jobs can also be an issue, if the Primary Job Flags or Benefit Record Numbers are not set correctly, benefit eligibility determination will not work. Also something as little as an incorrect date of birth or gender can also cause benefits eligibility to be prepared incorrectly or not at all. Communication is key. If HR notifies the Benefits Dept when they do these kinds of changes, they are able to be managed. The main thing you need to watch for when working with payroll is that a positive paycheck is created for a Flex Credit earning even if they have no hours being reported. For example, someone that is on a Leave of Absence that has not worked any hours and HR has not entered an Action of Unpaid Leave, but has a Benefits Flex Credit earning, will get a paycheck for that Flex Credit only. Audits will need to be done to prevent this from happening. There are also some booby traps to watch for right in Ben Admin. The Cobra enrollment form that is produced by the system reflects the rates of the options that are available. The logic of this form uses the event date of the termination to prepare these rates when it should be using the effective date of the option. Therefore, the rates being reflected on the form can be wrong during your open enrollment period. Also in Cobra processing, there is a check box for overage dependents that is flagged to term all overage dependents automatically in your database every time Cobra is run. The County does not use this check box. We choose to term overage dependents at our discretion. For FMLA processing to work correctly, you must have at least one year's payroll history in the system for the FMLA program to calculate the eligibility. Also tracking intermittent FMLA requires manual intervention. The Retro Benefits program is very unpredictable. We choose to only run the process for an individual at a time rather than for the whole population. This prevents errors in the preparation of retro deductions, but it also forces us to keep track of all retro events manually so we know who is eligible for processing. When setting up the Benefits Billing module for the first time in version 7 we were unaware of the need to prepare the Billing Calendar naming convention by beginning with the year and not the month. Now the billing summaries sort by month instead of year, which makes it confusing when you are trying to find out what is due. But thankfully, with the new 8.9 version, you can click on the header of Period End Date and it will sort by year. Also, in Billing, if you are using the program for employees on Leave of Absence, when Ben Admin enrolls them into the Billing program, it will insert an enrollment row for all waived plans also. This causes the Billing calculation process to prepare error messages for all of the waived plans because it cannot calculate a rate on a waived plan. Thankfully, it will not hold up the calculation process. But it might be very time consuming to decipher several error messages to determine whether there is a need to look into them or not.

As you can see, the Ben Admin owner needs to be a 'Funcno-Tech'. Being knowledgeable of the Functional and the Technical side is important for Ben Admin to function properly. Error messages are sometimes difficult to decipher. You must be hands-on and put the time in testing and auditing to get the experience required to be successful. Table set-up has to be meticulous. The tables drive the whole Ben Admin process to determine eligibility. If they aren't set up correctly, you could have errors and also incorrect determinations of eligibility. Understanding how HR affects you and how you affect payroll are also very important. But still, sometimes you might need technical intervention if the Ben Admin process malfunctions.

**Collaboration** - Collaboration is critical between other Business Process areas and Benefits because each module's functionality is so intertwined. It is critical that HR staff has familiarity with what fields in Job and Personal data are used in eligibility processing, like Date of Birth, Gender, Zip Code, Salary Plan, and Union Code. We use all of these fields to determine eligibility. If one of them is incorrect or changed, it can cause changes in benefits options. It is also critical that HR staff understand that any HR Action may have a downstream affect on benefits processing. Correcting or deleting effective dated rows is a huge one. It is critical that Benefits staff has familiarity with HR fields and also table values that can affect payroll.

**Conclusion** – In summary, Benefits Administration is a powerful product. It requires meticulous set-up, dedicated monitoring and collaboration between HR and Payroll. You must be hands-on and put the time in testing and auditing to get the experience required to be successful. There is no Easy Button.