



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
1250 H Street, NW Washington, DC 20005

May 22, 2003

Memorandum to Thrift Savings Plan Payroll Office Coordinators  
(Civilian and Uniformed Services)

FROM: Pamela-Jeanne Moran *Pamela-Jeanne Moran*  
Deputy Director of External Affairs

SUBJECT: Implementation of the New Thrift Savings Plan Record  
Keeping System

In my May 9, 2003, memorandum, I indicated that we were planning to implement the new record keeping system in June. We are still on target to meet this date. The following provides a policy change to address concerns we are receiving about the breakage being reported on the test reports you are receiving, an update on testing and the transition schedule, and "helpful hints" to reduce the number of rejects we are experiencing as we process your submissions.

**Breakage Timing:**

The proposed regulations and our new record keeping bulletins state that breakage will be calculated if the contribution or loan payment record being submitted is processed more than 2 days after the associated pay date. Based on concerns raised by the payroll offices and operational considerations, we have decided not to change the existing 30-day timeframe used for lost earnings, i.e., if contributions are processed within 30 days of the associated pay date, breakage will not be charged. This will also reduce the volume of de minimis breakage we are currently calculating based on the payroll submissions we are processing through the new system.

**Testing:**

We are continuing to provide you with salmon-colored copies of the test reports being produced as we process your submissions through the new system and as loan and financial hardship in-service withdrawal activity affects your participants. However, because of the volume of the detailed breakage reports (TSP 5015 and 5016), we are only sending samples of Report TSP 5015. Report TSP 5016 is an on-request report and we are not providing it unless a payroll office specifically requests it. (In production, we believe that the only time you will want this report is if a participant requests

all the detail regarding the calculation of breakage for his or her contributions (or loan payments). In this case, you can request the details from the Agency Technical Support Staff (ATSS) at the National Finance Center. For most purposes, Report TSP 5015 provides the information you will need.)

Except for those payroll offices that are using the electronic data file submission (EDTS) process, we will stop testing on May 30, 2003. This is when we begin hold-ing files in anticipation of the conversion to the new record keeping system. For those payroll offices that are testing the EDTS files, we will continue the process in our test environment.

We are getting calls about the reports so we know that your staffs are reviewing them. Most of the questions have been general; many are about the new breakage reports, which we expected. The ATSS personnel are available if you have any questions about the reports you are receiving, either as part of the testing activity or as we go into production.

#### **Transition Activities:**

As I indicated in the May 9<sup>th</sup> memorandum, we will begin conversion to the new system after the current system's monthly processing cycle for June is completed (i.e., after loans and withdrawals are disbursed). As we have been doing in testing, we will hold your submissions until after the data conversion is completed and then begin processing them in order. After we have processed your submission, we will send you the new system reports on white paper because these will now be your production reports. This "catch-up" period should be completed by mid-June and thereafter we will be processing your submissions as they are received as we do in the current system.

The first participant-initiated transactions (e.g., loans or financial hardship in-service withdrawals) will not be made in the new system until mid-June. However, payroll offices may receive Loan Status Reports (TSP 19401) informing them that loan payments should be stopped during the course of the "catch-up" period. These reports will be generated by your submission of loan payments that paid a participant's loan in full.

For those payroll offices that are submitting electronically, there will be no change in your transmissions. However, we will coordinate with you the rerouting of the EDTS files transmissions from your test IP addresses to your production IP addresses when you are ready. For those payroll offices that are using the web-based application or the pc-program, the new system version may be downloaded next week through the TSP web site.

#### **Processing Comments:**

As we have processed your payroll submissions through the

new system, we have discovered some interesting problems. In a couple of cases, we have added new edits to address the problems; in other cases, the resolutions lie with your staff. We will be issuing an updated error code/ message listing at the end of the week (and posting it on the web site), but this is what we have discovered.

- Negative adjustments prior to June 1, 2000. As I indicated in my May 9<sup>th</sup> memorandum, we will not be processing negative adjustments to contributions made before June 1, 2000, because we are not converting the associated contributions data. The error code for this reject is R42.

- Future dated negative adjustments. We are also seeing negative adjustments with attributable pay dates that are later than the processing date. Again, these records are being rejected because we cannot determine the present value of an amount if the attributable pay date is in the future and we are not certain what the record was intended to do. This is new error message code: R40, As of date later than processing date.

- Payment records with zero dollars. This is an existing edit in the current system that is being used in the new system (Error code RN4). As we are reviewing your reports, we are seeing some payroll offices sending in large numbers of contribution records with zero dollars. Although we are rejecting these records, your systems should be catching them before they are submitted to us.

- Negative values for contributions and positive values for negative adjustments. We currently reject these records (Error codes R88 and RA1 respectively) and will continue to do so in the new system. However, your systems should be editing and rejecting these records before they are submitted to us.

- Complete Employee Data Records (EDRs). This problem is generally associated with paper submissions (Forms TSP-5). You must complete the entire EDR, otherwise it will be rejected in the new system. Currently, as the ATSS staff member's data enter the paper submissions, they complete the missing information for you. This will stop in the new system. We strongly urge you to use either the web-based or pc-based application instead of paper because your submissions will be pre-edited by the application and you should see a reduction in the number of rejected EDRs.

- Names. Most of the errors that we are seeing can be attributed to data entry. These errors include periods overlying either the first character of the last name or the period constitutes the whole last name (.ODSON, .EPKE,.); numbers instead of letters (8RCHER), spaces or null values preceding the name in the field ( JONES). When we get calls from participants regarding our incorrect spelling of their names, we refer them back to their pay-roll offices to get the spelling corrected. However, you should be doing some edits on

your EDRs before they are sent to us. We also have two preferences based on the new system's handling of names. We would prefer that you use all upper case letters and that you do not use commas in the last name field (e.g., JONES SR instead of JONES, SR).

- Threshold for errors. As in the current system, we have built a threshold for errors. If the error count on any submission exceeds 2,000, that submission will be suspended and the ATSS personnel will call you regarding the problem(s). This does not happen very often, but when it does, it is usually a very large submission.

Reports TSP 1703 that we are sending to you summarize the reasons for both the records we have rejected and those that we have processed with warnings. We ask that you review these reports to ensure that your systems are functioning properly and to determine what additional measures you can take to ensure the quality of the data you send to us. Overall, however, the data submissions look very good.

#### **Questions:**

If you have any questions regarding the processing of your submissions in the new record keeping system, please contact the ATSS at (504) 255-5110. Also, please be sure your staff knows about the new "Payroll Information" key on the TSP Web site (under Agency or Service Representative Information). We will continue to update this site as we move into the new system.