



Imperial County Employees' Retirement System (ICERS)

Active Payroll

**Operational Baseline, Functional Requirements,
and Business Process Improvement**

September 19, 2023



Table of Contents

01 - Active Payroll 3

1. Overview 3

2. Roles & Responsibilities..... 3

3. Workflow Diagram Legend 4

4. Current State Process 4

5. Opportunities & Recommendations 5

6. Future State Process 6

7. Functional Requirements & Key Business Rules.....7

8. Approvals 13

9. Document Version Control 13



01 - Active Payroll

1. Overview

This section contains a brief description of the process area being addressed in this requirements document including primary goal, objectives, and stakeholders.

The Active Payroll is the process by which ICERS receives employee payroll information (which includes service and contribution data) and all revised demographic information (address, salary, tier, job position, pay codes, etc.) from ICERS' participating employers. The data arrives at ICERS as a text file (.txt) that ICERS uploads into the current pension administration system.

Primary Goal: To accurately and efficiently record employee information that is required for each active member for use in benefit calculations, benefit estimates, and other processes such as refunds, deaths, and reciprocity.

Objectives to be achieved:

- Receive and verify/validate the incoming information.
- Communicate with employers on exceptions.
- Correct payroll or member data as needed before posting to member's account.

Details on member enrollment are provided in the 02 - Member Enrollment document.

2. Roles & Responsibilities

This section contains roles represented in the current state process.

Role	Responsibility
IT Programmer Analyst III	ICERS staff that receives the file and sends to Accounting Technician. Can assist with any technical issues, file formatting.
Accounting Technician	ICERS staff that processes the active payroll file through the system and take notes of any errors that needs to be escalated. Also verifies any received monies through the file.
Retirement Specialist I/II	ICERS staff that assists in reconciling any discrepancies with the active payroll file by either verifying with Employer or through the calculations in the system.
Employer	A participating employer that provides active payroll files to ICERS. Files are sent biweekly after the end of the pay period.



Role	Responsibility
	<p>Currently there is four employers:</p> <ul style="list-style-type: none"> • Imperial County • Superior Court • Local Agency Formation Commission (LAFCO) • Imperial County Transportation Commission (ICTC) <p>ICERS receives active payroll files from Superior Court and Imperial County. Imperial County's active payroll files includes payroll data from LAFCO and ICTC.</p>

3. Workflow Diagram Legend

Icon	Description
	Task or activity within a process
	Sub-process within a process
	Start event/process
	End event/process
	Interim event
	Timer event
	Escalation event
	Error or exception event
	Gateway or decision point
	Send message or task
	Receive message or task
	Service > automated process using software or hardware
	User > person performs task with assistance of software application

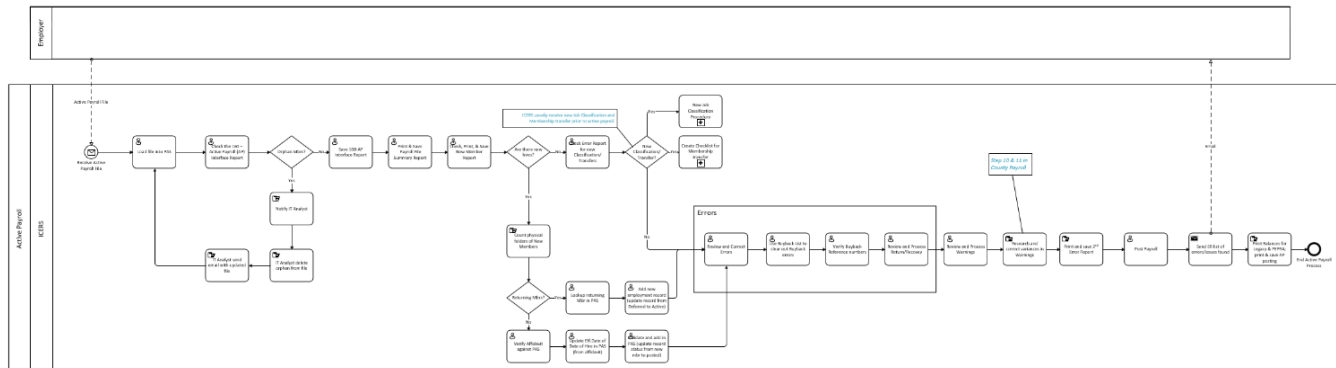
4. Current State Process

This section includes BPMN 2.0 representation of current state.

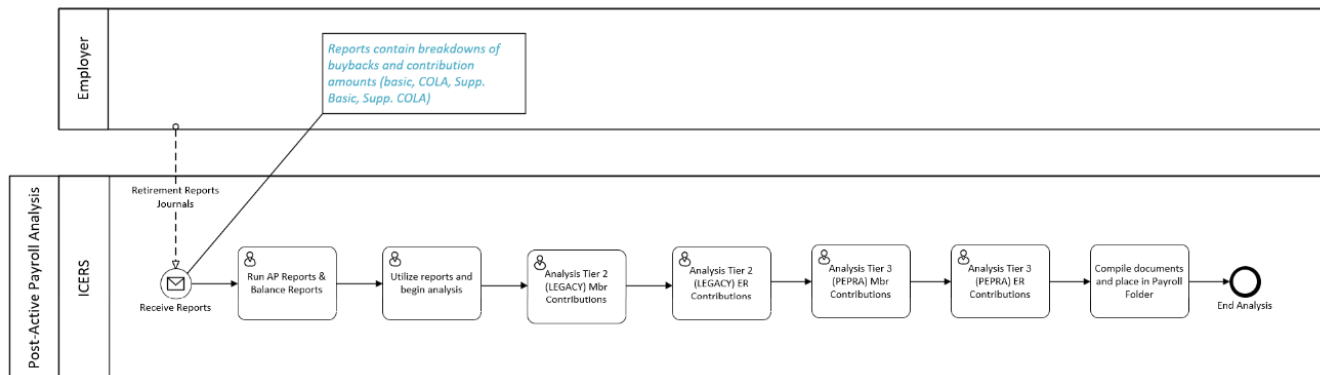


Active Payroll
Current State Flow.ppt

4.1 Active Payroll



4.2 Post-Active Payroll Analysis



5. Opportunities & Recommendations

This section includes opportunities discovered during the Operational Needs Assessment and the recommendations that accompany it. This will be used to create the future state process.

Opportunity

Communicate active payroll file changes made by ICERS' staff while processing the payroll files. So that the employers can update their payroll data prior to the next payroll cycle.

Recommendation



Opportunity

Send the Employer the change report: System will generate a report of changes that were made during the active payroll process for ICERS' staff to send to the employer to reconcile their payroll data.

Opportunity

Create additional validations within the system.

Recommendation

Build a more robust validation within active payroll, so ICERS can review and validate buybacks, new hires vs. rehires, return and recovery monies received, expected contributions vs. actual contributions.

Opportunity

Incorporate a workflow to manage the active payroll process

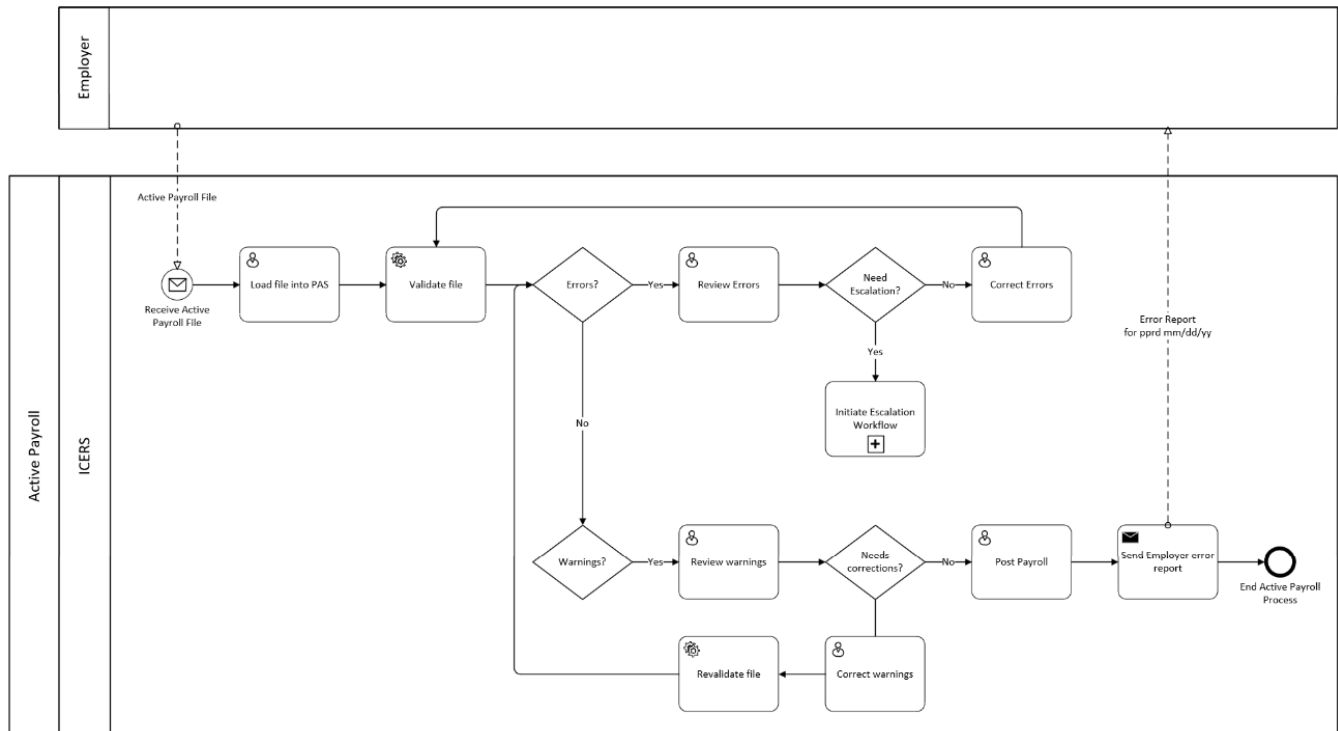
Recommendation

Create a workflow for active payroll to track and allow users to correct any errors found within the active payroll file.

6. Future State Process

This section contains the proposed future state process. The BPMN diagram identifies high-level steps of the workflow and interactions between groups.

6.1 Active Payroll



Active Payroll Future
State Flow.pdf

6.2 Post-Active Payroll Analysis

Future state flow will reflect current state as the recommended improvement would only provide a more robust report, but staff would still have to do the analysis between Employer reporting and the PAS reporting.

7. Functional Requirements & Key Business Rules

User stories below represent the functionality needed to support the future state process defined above. Requirements are captured in user story format with acceptance criteria and grouped by sub-process. Relevant business rules are included with the applicable user story.

Step	Description
1 = Inflexible	Requirement is critical to the operations and this requirement must be satisfied as described at go-live.
2 = Flexible	The functional result is required, but there is flexibility in how that functionality is delivered. This requirement must be functional at go-live.



Step	Description
3 = Desired	<p>The system does not have to satisfy this requirement at Go-Live; however, the requirement is desired.</p> <p><i>The vendor must identify any "Flexible" requirements that are NOT included in the fixed price and must provide the associated pricing and customization impact for ICERS consideration. All items that are not listed will be assumed to be included in the standard solution.</i></p>

No.	Feature	User Story	Flexibility
01.01	File Upload	<p>As an Employer,</p> <p>I want to upload an active payroll file to ICERS,</p> <p>So that I can communicate member data information for employees associated with ICERS.</p> <p>I'll be satisfied when:</p> <ul style="list-style-type: none"> I can upload my payroll files securely. I am notified of formatting errors in my payroll files. I can send ad-hoc correction files. I can communicate to ICERS if I have any issues. I am notified once ICERS has received and processed the file. I am notified of any issues or changes that occurred after the payroll was accepted by ICERS. 	2

As an ICERS staff,

I want to validate the active payroll file prior to posting,

So that I can verify the data received and communicate to the Employers if needed.

01.02	Workflow / Case Management / Validation	<p>I'll be satisfied when:</p> <ul style="list-style-type: none"> The system initiates a workflow when an active payroll file is uploaded. The system follows a validation process that identifies data issues (such as wrong tier, expected vs. actual contribution/salary/buyback amount...etc.). I can securely communicate validation issues with employers. I can view, update, and override validation issues within the workflow. The system keeps a record of changes made to the active payroll data for future auditing and reporting. I can tell what status the payroll data is in (such as processed/posted, adjusted, cancelled, pending, paid...etc.). 	2
-------	---	---	---



No.	Feature	User Story	Flexibility
		<ul style="list-style-type: none"> I can differentiate when the data received from the active payroll file is mean to correct a previous known issue that required work/follow-up. 	
01.03	Member Data – Active Payroll	<p>As an Accounting Technician, I want to be able to post the active payroll file into the system, So that member accounts can be updated with the new pay period data.</p> <p>I will be satisfied when the system:</p> <ul style="list-style-type: none"> automatically updates member information, statuses, and service communicated through the payroll file after posting. can split contributions based on established funds for the respective tiers. 	1
01.04	Forms, Letters, and Reports	<p>As an Accounting Technician, I want to be able to let the Employer know what ICERS corrected/adjusted in the file, So that they can correct their system for next payroll.</p> <p>I will be satisfied when:</p> <ul style="list-style-type: none"> The system generates a report of corrections to employer payroll data made during payroll file processing that includes before and after data. I can securely send the payroll file corrections report to employers via email or an online employer portal. The report identifies reoccurring issues to highlight for the employers. 	2
01.05	Member Data	<p>As an ICERS staff, I want the ability to update a member account while processing the active payroll file, So that the member account data is current.</p> <p>I will be satisfied when:</p> <ul style="list-style-type: none"> I can access and update the member's account from the active payroll workflow. I can update existing information and add new employment information as needed. The system retains an audit trail of data changes. 	2
01.06	Forms, Letters, and Reports	<p>As an Accounting Technician, I want a summary and detail report of the biweekly active payroll, So that I can reconcile the monies reported to the monies received.</p>	2



No.	Feature	User Story	Flexibility
		<p>I will be satisfied when:</p> <ul style="list-style-type: none"> The system generates a report of the data from active payroll for each employer summarized by CDH Code and associated G/L account. The report can be generated in different formats, such as PDF, excel. I can dictate a “to” and “from” date for the report. 	
01.07	Buybacks - Installments	<p>As an Accounting Technician, I want to be notified of active buybacks with installments, So that I can account for them during the active payroll process.</p> <p>I will be satisfied when:</p> <ul style="list-style-type: none"> The system can identify buyback installments in the active payroll file. I run my reports and buyback monies are clearly identify in their correct fund buckets. 	2
01.08	Return / Recovery	<p>As an Accounting Technician, I want to be notified if there’s a variance in expected contributions vs actual contributions received, so that I can open/update/close a Return and Recovery workflow.</p> <p>I will be satisfied when:</p> <ul style="list-style-type: none"> The system initiates a task in the workflow when the contribution doesn’t match the expected contribution amount. I can validate that the correct Return and Recovery amount is received. I can apply the amount to the correct Return and Recovery workflow and pay period. The system generates a notification to the employer when the Return and Recovery workflow is closed. 	2
01.09	30-year member	<p>As a Retirement Specialist, I want the active payroll process to validate member contributions for members with 30 years of continuous service, to ensure that contributions are not collected for these members.</p> <p>I will be satisfied when the system:</p> <ul style="list-style-type: none"> Accurately identify members who have reached 30 years of continuous service. Provides a report to confirm the cessation of contributions for auditing purposes. Initiate Return or Recovery Workflow if needed. Provides a report of upcoming “30-year members.” 	2



No.	Feature	User Story	Flexibility
		<p>Business Rules:</p> <ul style="list-style-type: none"> Safety Member contributions cease after 30 years of continuous service. 	
		<p>As a Retirement Specialist, I want to validate member data that is coming in through payroll files, so I know what types of data issues require clarification & follow up.</p> <p>I'll be satisfied when:</p> <ul style="list-style-type: none"> The system identifies data issues (that includes wrong tiers and expected contributions). The system identifies member status (new member vs. returning member), hire dates, and termination dates. The system determines an incoming member's tier and age of entry. 	
01.10	Enrollment - Tier	<p>Business Rule:</p> <ul style="list-style-type: none"> Employee is a Tier 1 member if they entered membership in a California Public Retirement System prior to July 1, 2005. Employee is a Tier 2 member if they entered membership in a California Public Retirement System between July 1, 2005, and December 31, 2012. If Tier 1 and 2, then Age of Entry must be calculated to determine percentage of contributions to be paid (aggregate). Employee is a Tier 3 member if they first entered membership in a California Public Retirement System on or after January 1, 2013, AND do not otherwise qualify for Tier 1 or 2 membership through reciprocity or other applicable public employment. 	2
01.11	Maximum Compensation	<p>As an Accounting Technician,</p> <p>I want to receive an alert when a member is approaching the defined benefit plan's annual contribution limit, so that I can ensure compliance with the plan's regulations and prevent over-contributions.</p> <p>I will be satisfied when:</p> <ul style="list-style-type: none"> the system automatically generates an alert when a member's contributions are within 5% of the annual limit. I can easily access and review these alerts in a dedicated section of the PAS interface. 	2
01.12	Maximum Compensation	<p>As an Accounting Technician,</p> <p>I want the system to automatically initiate a Return & Recovery workflow when excess contributions are detected, so that any overages are addressed promptly and in accordance with the plan's guidelines.</p>	2



No.	Feature	User Story	Flexibility
		<p>I will be satisfied when:</p> <ul style="list-style-type: none"> The system automatically identifies and flags contributions that exceed the annual limit. The system initiates the Return & Recovery workflow without manual intervention. 	
01.13	Maximum Compensation	<p>As an ICERS staff,</p> <p>I want to be able to update the maximum compensation limit for an upcoming year, so that we are capturing the correct compensation limit for the correct year.</p> <p>I will be satisfied when:</p> <ul style="list-style-type: none"> I can insert an effective date and compensation limit for each tier. The system has a historical table capturing previous years' compensation limit. 	2



8. Approvals

Whitney Gonzalez

[Whitney Gonzalez \(Nov 28, 2023 10:22 PST\)](#)

[Whitney Gonzalez]

[Accounting Technician]

Regina Rodrigues

[Regina Rodrigues]

[Assistant Retirement Administrator]

9. Document Version Control

Date	Change	Name	Version
09/18/2023	Initial Draft	Kahei Inglis	1.0
10/20/2023	Peer Review	John Keeler	1.1
10/24/2023	Added user story 01.09 and 01.10	Kahei Inglis	1.2
10/26/2023	Peer Review; ready for client's review	Linea	2.0









01-Active Payroll Future State v2

Final Audit Report

2023-11-28

Created:	2023-11-28
By:	Kahei Inglis (kinglis@lineasolutions.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA11K-8v7u6kQYT4lda4lw8c0BSeHMXMe_

"01-Active Payroll Future State v2" History

-  Document created by Kahei Inglis (kinglis@lineasolutions.com)
2023-11-28 - 6:18:45 PM GMT
-  Document emailed to Whitney Gonzalez (whitneygonzalez@co.imperial.ca.us) for signature
2023-11-28 - 6:19:41 PM GMT
-  Document emailed to Regina Rodrigues (reginarodrigues@co.imperial.ca.us) for signature
2023-11-28 - 6:19:41 PM GMT
-  Email viewed by Whitney Gonzalez (whitneygonzalez@co.imperial.ca.us)
2023-11-28 - 6:22:41 PM GMT
-  Document e-signed by Whitney Gonzalez (whitneygonzalez@co.imperial.ca.us)
Signature Date: 2023-11-28 - 6:22:56 PM GMT - Time Source: server
-  Email viewed by Regina Rodrigues (reginarodrigues@co.imperial.ca.us)
2023-11-28 - 6:35:16 PM GMT
-  Document e-signed by Regina Rodrigues (reginarodrigues@co.imperial.ca.us)
Signature Date: 2023-11-28 - 6:35:25 PM GMT - Time Source: server
-  Agreement completed.
2023-11-28 - 6:35:25 PM GMT