

1. Linked Infotype Records
  - 1.1. Savings bonds require two linked infotypes for correct processing. This link is the Bond Purchase ID which is displayed on both records.
    - Bond purchase (bond info, deduction amount) IT0103
    - Bond denomination (owner information) IT0104
2. Basic Processing Attributes
  - 2.1. Deduction priority is a 'T' which is very low on the list. This means that most deductions will be processed prior to savings bonds.
  - 2.2. Deductions will be for the full amount only. If there is not enough net pay to process the entire deduction it will go to the deductions not taken table and processing will end (no arrears processing).
  - 2.3. Effective dates should be equal to the pay period dates (more detail below).
  - 2.4. Deductions for savings bonds are post tax.
  - 2.5. No retroactive transactions are allowed. Since retroactive changes to savings bonds would be invalid, configuration will not allow changes in the past.
  - 2.6. Monies deducted from employees that are sufficient to generate bond purchases are sent to OFM via GAP 40 each payroll. DOP also generates a bond purchase file during day 4 processing (representing monies deducted from current month 10<sup>th</sup> and 25<sup>th</sup> payrolls). Near the end of each month DOP manually sends these purchase files to the US Treasury. OFM sends the ACH payment and the treasury matches these two up to generate the purchase of bonds that are received by the employees. A bond purchased from the June 10<sup>th</sup> and June 25<sup>th</sup> payrolls will be dated June, and sent to the employee in July.
3. Establishing Savings Bond Deductions
  - 3.1. The start date of the Bond Purchase (IT0103) and the Bond Denomination (IT0104) should be equal to the first day of the period in which deductions will begin or the employees first day of work. For example if a bond deduction should start with the May 10<sup>th</sup> payroll the begin date of the IT0103 and IT0104 records needs to be April 16<sup>th</sup>. If the first day of work was April 20<sup>th</sup> the records need to start on the first day of employment. (The start date should be the 1<sup>st</sup>/16<sup>th</sup> and the end date should be the last day of the pay period.)
4. Ending Savings Bond Deductions
  - 4.1. When end dating bond deductions both records (IT0103 and IT0104) will need to have an end date equal to the last day of the period in which the last deduction will be taken. For example if the last bond deduction is to be taken on the May 10<sup>th</sup> payroll the IT0103 and IT0104 records should have an end date of April 30<sup>th</sup>.
    - It is important to keep the end dates the same when stopping bond purchases.

- When a bond purchase is end dated any remaining reserve balance will be automatically refunded to the employee.
5. Changing Savings Bond Deduction Amount (IT0103)
    - 5.1. When a Savings Bond Purchase (IT0103) requires a new deduction amount the old purchase record will need to be end dated and then copied using the new amount. When the new record is created in this manner the link between the IT0103 and IT0104 records will be maintained and there will be no need to create new bond owner records.
  6. Changing Bond Address (IT0104)
    - 6.1. When a Savings Bond Denomination (IT0104) requires updates, such as an address change, the old record will need to be end dated and then copied using the new address. When the new record is created in this manner the link between the IT0103 and IT0104 records will be maintained and there will be no need to create a new bond purchase record.
      - 6.1.1. This process should also be used for an update to the bond owner/beneficiary information.
  7. Multiple Purchase Records
    - 7.1. If different bond types or deduction amounts are required then multiple Bond Purchase records (IT0103) can be created, each with their own Bond Denomination (IT0104) records. In this case all of the purchases will be processed each payroll.
  8. Rotating Owners
    - 8.1. When creating a bond deduction with rotating owners the 'with rotating owner/benef.' box must be selected when the IT0103 record is created. Once this is done multiple IT0104 records can be created by clicking the 'maintain owner records' button and saving a new record for each of the rotating owners. Once all of the owner information has been created the IT0103 record must be saved.
      - Each of the related IT0104 records will have a rotation sequence (automatically generated) and a number of bonds to be purchased (user entry).
      - The Bond Purchase (IT0104) and all of the rotating owner records (IT0103) must have the same bond purchase ID.
    - 8.2. If a new owner is needed this record must be created through the IT0103 record by clicking the 'maintain owner records' button. If the new record is not created in this manner the link between the IT0103 and IT0104 records will not be established resulting in an orphaned record.
    - 8.3. If one of the existing owners is to be eliminated that IT0104 record can be end dated and the others will continue to be processed in sequence.
  9. Important Wage Types in Payroll

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- 9.1. Wage type 4100 (bond purchase deduction) represents the deduction being taken from the employee's net pay.
- 9.2. Wage type 4120(number of bonds purchased) represents the number and cost of any bonds being purchased in the current period.
- 9.3. Wage type 4110 (reserve balance – bond) represents the remaining balance after current period processing which will be applied to future purchases.

### 10. Reports

- 10.1. Display of Savings Bond Purchases Report (ZHR\_RPTPYS10) - this report can be used to view bond purchase history for an employee.
- 10.2. Wage Type Reporter (PC00\_M99\_CWTR)