

## Job Aid: Unpaid and Partially Paid Cap Gap Processing

### Purpose

Use this job aid to properly enter unpaid and partially paid gaps between a capped sponsored fund source and an employee's salary that exceeds the cap while maintaining existing FTE.

### Scenario

There are scenarios where an employee paid on sponsored funds (for example, researchers, professors and so on) may have a salary above the sponsor's rate cap, the difference cannot be charged to the capped fund and there are no discretionary funds available to pay for the over-the-cap (OTC) portion.

The employee is exerting 100% effort to the project work that is paid by the sponsored fund, so it is important to capture the 1.0 FTE for service credits and other benefits.

These scenarios happen more often in the payment of additional summer salary (additional 1/12, 1/11 or 1/9 pay) when employees paid on capped funds decline the full OTC supplement. In these cases the full discretionary OTC funds are either not available or are often reserved for annual salary during the academic or fiscal year.

### Process Steps

To handle these scenarios, Locations can maintain the 1.0 FTE by reducing the employee's salary so they are paid at either the exact cap rate if there are no funds available to pay for the OTC amount or at a rate between the cap rate and the full salary rate if funds are available to partially fund the OTC portion.

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### Job Data

To update **Job Data**, navigate to the **PayPath Actions** page, **Job Data** tab and update the **Earnings Distribution** (or JED) section. For step-by-step instructions, refer to the **Initiate Job Earnings Distribution PayPath Transaction – Academic** simulation in the **UCPath Help** site.

- ◆ The earn code **GAP**, or Unpaid Cap Gap, functions similar to ERIT or Phased Retirement, where you can specify the percent or amount to pay on the base salary and the percent by which to reduce the overall salary. The **GAP** earn code does not add to gross.
- ◆ Set the **Earnings Distribution Type** to **By Amount** or **By Percent**.
- ◆ Add or update existing rows to reflect the amount or percent for the portion of the employee's salary that has funding sources to support the pay using the earnings code(s) tied to the employee's base salary.
- ◆ Add a new row to reflect the amount or percent for the portion of the employee's salary that does not have funding sources to support the pay using the earnings code of **GAP**.
  - ◆ **Note:** If there are funds to partially fund the OTC portion, the amount or percent entered for **GAP** may be less than the full OTC amount.

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- ◆ Example of the JED set up for a fiscal-year employee within the **PayPath Actions** page, **Job Data** tab:

Oracle HR System - PayPath Actions

Position Data | Job Data | Additional Pay Data

Employee: [Redacted] Empl ID: [Redacted] Empl Record: 1  
 Academic: Non Faculty HR Status: Active Payroll Status: Active

**Job Data** Find | View All First 1 of 1 Last

Effective Date: 03/01/2019  
 Effective Sequence: 5

Action: JED Earnings Distribution Change  
 Action Reason: JED Negotiated Compensation Plans

Current Effective Date: 03/01/2019 Current Action: JED Earnings Distribution Change  
 Current Eff Sequence: 4 Current Action Reason: RET Return to Normal Hours/Dist

Position Number: [Redacted] RES-FY  
 Business Unit: [Redacted]  
 Department: [Redacted]  
 Location Code: [Redacted]  
 Job Code: 003200 RES-FY  
 Union Code: FX Non-Senate Academic Research  
 Reports To Position Number: [Redacted] PROF IN RES-AY  
 FLSA Status: Exempt  
 Salary Administration Plan: T013 Establishment ID: [Redacted]  
 Salary Grade: 1 Step: [Redacted]  
 FTE: 1.000000 Employee Class: 10 Academic: Non Faculty  
 Appointment End Date: 06/30/2020 End Job Automatically:

Earnings Distribution Type: By Amount  
 Comp Rate: 16,175.000000 Standard Hours: 40.00 Pay Frequency: UC\_FY UC 12/12 - FY

**Pay Components** Personalize | Find | First 1 of 1 Last

Rate Code	Comp Rate	Compensation Frequency
1 UCANNL	194,100.000000	Annual

**Earnings Distribution** Personalize | Find | First 1-2 of 2 Last

*Earnings Code	Comp Rate	Distribution %
1 REG Regular Pay	15,800.000000	97.680
2 GAP Unpaid Cap Gap	375.000000	2.320

UC Job Data

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### Funding

To update funding, navigate to the **Funding Entry** page to fund the up-to-the-cap portion of the employee's salary with the sponsoring funding source or the portion of the employee's salary that has funding sources to support the pay. For step-by-step instructions, refer to the **Submit New Position Funding Entry Request – MCOP** simulation in the **UCPath Help** site.

- ◆ Within the **Salary Cap/MCOP Worksheet**, the **Compensation Data Snapshot** section displays both the earnings that add to gross as well as the **GAP** earnings. However, keep in mind that the employee is paid the reduced salary only.
- ◆ Update the **Funding Distribution Worksheet** section to reflect that only the up-to-the-cap earnings are distributed to the sponsored funding source, or the portion of the employee's salary that has funding sources to support the pay.
  - ◆ There is validation built into the **Salary Cap/MCOP Worksheet** to ensure that various up-to-the-cap and OTC rules are adhered to.

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- ◆ Example of the funding set-up for a one-month period within the **Funding Entry** page, **Salary Cap/MCOP Worksheet**:

Oracle HR System - Funding Entry Page

**Salary Cap/MCOP Funding Worksheet**

Empl ID: [Redacted] Empl Rcd: 1  
 Position Number: [Redacted] RES-FY  
 Fiscal Year: 2019 Budget Begin Date: 07/01/2018 Budget End Date: 06/30/2019

**Compensation Data Snapshot**

As of Date: 03/01/2019 Eff Seq: 5  
 Salary Plan: T013 Comp Freq: UC 12/12 - FY  
 Salary Grade: 1 FTE: 1.000000  
 Step: 9

Pay Component	Emr Cd	Monthly	Annual	Percentage
REG		\$15,800.00	\$189,600.00	97.681607
GAP		\$375.00	\$4,500.00	2.318393
<b>Total UC Salary</b>		<b>\$16,175.00</b>	<b>\$194,100.00</b>	<b>100.000000</b>

**Default Funding Profile**

Effective Date: 03/01/2019 Eff Seq: 1

Emr Cd	OTC Indicator	Combo Code	GL BusinessUnit	DeptID	Fund	PC Project	PC BusinessUnit	Chartfield2	PC Activity	Program	Chartfield1	Distribution %	
1	No	000102481	10000	31261	69995						40	900000	100.000
2	Yes	000101966	10000	14011	51171						40		100.000

**Funding Distribution Worksheet**

Date of Entry: 05/11/2019 Eff Seq: 0 Last Updated By: [Redacted]

Begin Date	End Date	Emr Cd	Combo Code	GL BusinessUnit	DeptID	Fund	PC Project	PC BusinessUnit	Chartfield2	PC Activity	Program	OTC Indicator	Chartfield1	UC Monthly Salary	Annual Rate	Total Allocated Amt	\$ Amt Firm?	Percent of Pay	Percent of Effort	Cap Type	Cap Rate (Annual)	Prorated Cap Rate (Annual)	Prorated Cap Rate (Monthly)
03/01/2019	03/31/2019		000103922	10000	30010	19900			CPCQ		43		CPACAD	\$16,175.00	\$194,100.00	\$727.88		4.500000	4.500000				
03/01/2019	03/31/2019		000101966	10000	14011	51171					40			\$16,175.00	\$194,100.00	\$1,536.63		9.500000	9.500000				
03/01/2019	03/31/2019		000108069	10000	30010	82087		1009699	GM100	CPB7	04		ADTR14	\$16,175.00	\$194,100.00	\$1,501.00		9.279753	9.500000	HHS	\$189,600.00	\$189,600.00	\$15,800.00
03/01/2019	03/31/2019		000105481	10000	14015	82379		1010486	GM100	CPB3	01			\$16,175.00	\$194,100.00	\$11,376.00		70.330757	72.000000	HHS	\$189,600.00	\$189,600.00	\$15,800.00

Funding Distribution Preview | Return to Funding Entry