Functional Spec Details - TRI0041

Functional Overview

Fidelity Stock Plan Services (Fidelity SPS) is the administrator for Starbucks Stock Plans. As part of payroll modernization, Stock team would like to implement the newer CIT [Consolidated Indicative Tax] interface as a data feed for fidelity.

This would replace the current process related to sending demographic and taxation information related to Fidelity. A quick outline of existing process is below for reference.

1. Fidelity receives demographic and eligibility information related to partners via FMR Events and OMS interfaces [P.S. These interfaces would continue to be executed after payroll modernization specifically for **Savings** processing at Fidelity]
2. Fidelity sends the stock vesting details [taxable income] via RSU Feedback Import, Option Exercise Feedback Import interfaces
3. SAP ECC system computes all the taxes relevant for the partner
4. Taxes are sent back to Fidelity by Export interfaces

As per the new process defined, the tax computation [except local taxes] will be performed by Fidelity. For US, it will be based on Baker-Mckenzie rates and for Canada, rates will be provided by Starbucks through the CIT file. With CIT interface implementation, the feed to Fidelity will include complete partner data including Year-To-Date (YTD) income of partners enabling fidelity to compute the Fed and State taxes.

The CIT file includes fields for demographic as well as payroll/tax data of partners. As part of payroll modernization, a new employee central payroll [ECP] system will be implemented for payroll computation alongside existing partner central system. The source of demographic data would be Partner central [PCENT] and source of payroll/tax data would be ECP. Due to this segregation of data, the CIT file will also be split into two -

1. Demographic (DEMO) - File will be generated by PIPS with data source as PCENT
2. Payroll/Tax (TAX) - File will be generated by custom program in ECP

This specification outlines the details of the custom program in ECP, which generates the TAX file of CIT feed.

The file should be generated in ACSII Format, Fixed Position text file, Left justified for alpha numeric fields. It should contain U.S. character set only - Recommend not to use any common delimiting characters (comma, semicolon, pipe, etc.) in the data. End of line should be Carriage Return (CRLF).

Amazing to have: Additional to the vendor file, the program should also generate a csv file in the same file format, but comma or tab delimited, for the Payroll team to easily validate the data.

Current Functionality(AS-IS)

The program will be executed Monday to Friday, Daily [*schedule TBD*], to pickup changes to partners payroll results, especially taxable income. The CIT file includes a header record, trailer record and multiple detail records.

Partner Selection Criteria

- All US and Canada Partners with a new payroll result, either regular runs or off-cycles, after the previous execution of the interface will be picked up for processing. The execution date and time of the payroll results can be fetched and filtered from the RGDIR entry corresponding to the result. Since we are sending the YTD information, in case if there are multiple payroll results for a partner during the selection period, only the latest payroll result needs to be processed.
- The tax year is picked from the Payment Date of the payroll run. In case of cross year period runs - *To be confirmed.*

All non partner workforce including CW, Pre-Hires and PSPs are excluded from fidelity demographic feed, but since ECP will only have partners relevant for payroll processing, no additional filters are required for the same within the payroll CIT program.

Functional Logic

Header Record

The header record includes information related to the current run of the program, and is required in both DEMO as well as PAY file. The fields and respective data source is outlined in the data mapping sheet "Indicative CIT & B - Hdr & Tlr" attached below,

Trailer Record

Desired Functionality(TO-BE)

Since this is a new interface - this section is N/A

The trailer record file header information and a summary of data fetched during the execution of program i.e. the record count, and is required in both DEMO as well as PAY file. The fields and respective data source is outlined in the data mapping sheet "Indicative CIT & B - Hdr & Tlr" attached below,

Detail Record

When program is executed, payroll results between previous run date and current run date are picked for processing. For every partner's payroll result picked, a detail record is created and fields are filled. Detailed field format requirements and mapping is described in the CIT Data mapping sheet "Indicative CIT Instructions" attached below. But an overview of the logic and program flow is outlined below.

For a US partner, SSN is the key field, mandatory to be filled in both DEMO and PAY file, and is picked from IT 0002 as on the run date. But for rest of the population, the field Employee ID with value as Personnel number will be the key field, and SSN field should be space filled.

For the PAY file, the fields up to the start of Tax fields are irrelevant, hence should be space filled. The tax data starts at position 719.

The tax data in the file is logically segregated as

- Tax Header fields - Includes the base values for complete tax computation
- Tax Buckets - A set of 7 fields which defines a specific type of tax deduction and if any deviation from base tax computation approach. For e.g. Federal Tax, State Tax etc.
    - CIT file has 4 tax buckets for US - Federal, Social Security, Medicare and State.
    - Additionally, there are 16 tax buckets for generic use i.e. for usage of other tax buckets in US or for other country-specific tax buckets. For e.g. CPP, EE Tax, Other Tax etc for Canada.

Header Fields - Tax

Tax year field is filled based on check date, But on a cross year scenario, YTD data should not be sent for a future financial year from the previous financial year i.e. Tax year should be the year for which YTD is fetched and once the run date moves on to the next year, YTD for previous year no longer applies.

Current tax state is filled in based on the Work Address of the partner.

Supplemental withholding base amount is picked from WT /S01 in TCRT table of payroll results with cumulation type "Y" [*Need to confirm this for Canada*]. This will be the base YTD income for supplemental tax computation.

YTD1 Accumulator is the default accumulator for Social security and Medicare taxes, and is picked from WT /705 in TCRT table of payroll results with cumulation type "Y" [*Need to confirm this for Canada*].

Tax Buckets

Federal Tax

This section is denoted by the text "FED" in Tax description field at the start of this section. The description "FED" will enable Fidelity to fetch Baker McKenzie rates for the Federal tax computations. For forcing any supplemental rates, a different value needs to be sent in description field, along with rate in "Tax Rate" field. Please note, this section is filled only for US partners. For rest of the population, this section will be space filled.

The income tracker field will be filled from WT /S01 in TCRT table within the payroll result selected for the partner.

To identify whether a partner is exempt, read IT 210 for exempt status and if the flag is set, then send the "Fed Delete Indicator" field as "Y". This indicates Fidelity to skip computing Federal tax for the partner. Rest of the fields are either constants or space filled. Please refer to the mapping sheet for more details.

Social Security

This section is denoted by the text "SSC" in Tax description field at the start of this section. The description "SSC" will enable Fidelity to fetch Baker McKenzie rates for the Social security tax computations. For forcing any supplemental rates, a different value needs to be sent in description field, along with rate in "Tax Rate" field. Please note, this section is filled only for US partners. For rest of the population, this section will be space filled.

To identify whether a partner is exempt, read IT 235 for exempt status and if the flag is set, then send the "SSC Delete Indicator" field as "Y". This indicates Fidelity to skip computing Social security tax for the partner. Rest of the fields are either constants or space filled. Please refer to the mapping sheet for more details.

Medicare

This section is denoted by the text "MED" in Tax description field at the start of this section. The description "MED" will enable Fidelity to fetch Baker McKenzie rates for the Medicare tax computations. For forcing any supplemental rates, a different value needs to be sent in description field, along with rate in "Tax Rate" field. Please note, this section is filled only for US partners. For rest of the population, this section will be space filled.

To identify whether a partner is exempt, read IT 235 for exempt status and if the flag is set, then send the "Medicare Delete Indicator" field as "Y". This indicates Fidelity to skip computing Medicare tax for the partner. Rest of the fields are either constants or space filled. Please refer to the mapping sheet for more details.

State

This section is denoted by a two character State code, e.g. "WA" for Washington, in Tax description field at the start of this section. The state code as description will enable Fidelity to fetch Baker McKenzie rates for the State tax computations. For forcing any supplemental rates, a different value needs to be sent in description field, along with rate in "Tax Rate" field. Please note, this section is filled only for US partners. For rest of the population, this section will be space filled.

To identify whether a partner is exempt, read IT 210 for exempt status and if the flag is set, then send the "Medicare Delete Indicator" field as "Y". This indicates Fidelity to skip computing State tax for the partner. Rest of the fields are either constants or space filled. Please refer to the mapping sheet for more details.

Tax Bucket 5 - EE Tax Canada

This is a multipurpose tax bucket provided by Fidelity interface. Starbucks will be using it for "EE Tax" for Canada Partners. This section is denoted by text "EET" in Tax description field at the start of this section. For Canada tax withholding, the rates need to be sent to Fidelity from ECP via field "Tax rate".

The tax rates for each tax type will be configured and fetched from T5KTC table.

Tax types mapped to this section and the corresponding tax slabs and rates - to be updated

To identify whether a partner is exempt, read IT 464 for exempt status and if the flag is set, then send the "Delete Indicator" field as "Y". This indicates Fidelity to skip computing EE tax for the partner.

For US, this section will be space filled.

Tax Bucket 6 - CPP Tax Canada

This is a multipurpose tax bucket provided by Fidelity interface. Starbucks will be using it for "CPP Tax" for Canada Partners. This section is denoted by text "CPP" in Tax description field at the start of this section. For Canada tax withholding, the rates need to be sent to Fidelity from ECP via field "Tax rate".

The tax rates for each tax type will be configured and fetched from T5KTC table.

Tax types mapped to this section and the corresponding tax slabs and rates - to be updated

To identify whether a partner is exempt, read IT 464 for exempt status and if the flag is set, then send the "Delete Indicator" field as "Y". This indicates Fidelity to skip computing CPP tax for the partner.

For US, this section will be space filled.

Tax Bucket 7- Other Tax Canada

This is a multipurpose tax bucket provided by Fidelity interface. Starbucks will be using it for "Other Tax" for Canada Partners. This section is denoted by text "OTH" in Tax description field at the start of this section. For Canada tax withholding, the rates need to be sent to Fidelity from ECP via field "Tax rate".

The tax rates for each tax type will be configured and fetched from T5KTC table.

Tax types mapped to this section and the corresponding tax slabs and rates - to be updated

To identify whether a partner is exempt, read IT 464 for exempt status and if the flag is set, then send the "Delete Indicator" field as "Y". This indicates Fidelity to skip computing EE tax for the partner.

For US, this section will be space filled.

Rest of the tax buckets [Tax buckets 8 to 20] will be space filled. Also the Custom fields after the tax bucket fields will also be not used for Starbucks and hence Space filled as of now. These fields can be used for reporting purposes, if required in future.

P.S. There are a few outstanding questions with the Tax team regarding few of the fields, which can also be found in the spreadsheet Open Issues. This section will be updated with the confirmed details as soon as received.

Configuration/Tables Updated

List any known tables or configuration objects that the integration will touch/update

T5KTC - Table with Tax types, Income slabs and corresponding tax rates for Canada.

Data Mapping

SBUX CIT_Data_Workbook_2023-09-11.xlsx

Dependencies

As outlined in the the functional overview, this interface is one part of the CIT feed to fidelity. The interface is dependent on the demographic CIT file generated from Partner central by PIPS, for the data record of a partner to be created/updated at Fidelity so that the payroll data can be successfully posted.

The link to the functional spec for CIT -Demo can be found at PIPS CIT Demographic File Integration Template - TRI0041

Timing

At Fidelity the CIT production run time is 11:00 pm EST. Fidelity recommends sending the CIT Tax file no later than 9:00 pm EST to ensure the file processes on time. CIT Demo file timing is tbd.

Feedback files are delivered no later than 7:00 AM EST the following day.

Jira Links

Insert link to Jira story

PAYSIM-2696 *- TRI0041 - Consolidated Indicative Tax (CIT) Integration*
SELECTED FOR DEVELOPMENT

Approvers

Name	Role	Date Approved
Ravi Yatnatti	EY Functional Lead	
Ravi Shelke	SBUX Functional Lead	
Jill Gelling	Business SME	