**I&RS Review Board**

ENHANCEMENT REQUEST FORM

Request Number: IPS00744

Note: Do not complete gray shaded areas.

***Submission Date:*** Sept 27, 2023 ***Name/Phone #/E-mail Address:***

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***Requesting Company Name(s):*** ***Type of Change***: \_\_\_\_\_ New Field

SPARK, IPS \_\_\_\_\_ Edit Change

NWL \_\_\_\_\_ Code List Add

***Priority:*** \_\_x\_\_ Low (can wait until next release) \_\_\_\_ Medium (Sooner than next release) \_\_\_\_ High (Immediate action)

***When do you internally plan to implement this change?*** \_Already implemented (will not hit this scenario for some time)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***When do you plan to test this change?*** \_When implemented by DTCC\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Line of Business (mark all that apply): \_x\_ Annuity \_\_ Life \_\_ Retirement \_\_ LTC***

***Other (write-in) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

***Application:***

\_\_\_\_\_ ACATS/IPS \_\_\_\_\_ Financial Activity Reporting (FAR)

\_\_\_\_\_ Access Platforms \_\_\_\_\_ InForce Transactions (IFT)\*

\_\_\_\_\_ Asset Pricing (AAP) \_\_\_\_\_ InForce Web Transactions (IFW)\*

\_\_\_\_\_ Applications/Sub Pay (APP/SUB) \_\_\_\_\_ Licensing & Appointments (LNA)\*

\_\_\_\_\_ Attachments (ATT)\* \_\_x\_\_ Positions and Valuations (POV)

\_\_\_\_\_ Commissions (COM) \_\_\_\_\_ Positions for Retirement (PRP)

\_\_\_\_\_ Commission Schedule Transmittal (CST)\* \_\_\_\_\_ Producer Management Portal (PMP)

\_\_\_\_\_ Fee & Expense Transmittal (FET)\* \_\_\_\_\_ Settlement Processing (STL)

\*For ATT, IFT, LNA and Insurance Profile please check the Access box if you want changes to be made to that platform as well.

***Date Reviewed by Board: 10/3/2023 Decision Date:***

1. ***Overall Scope of the Enhancement (should include the Business Reason for the change):***

Indexed Payouts will change periodically depending upon market conditions. In the 2023 Summer Release several enhancements were made to the Edits to allow for Indexed changes to payouts.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Use  Case | Date | Annuity  Payout  Amount | Payout  Type | Payout  Change  Date | Payout  Change  Amount | P.C.  Qualifier | P.C.  Direction  Indicator | P.C.  Frequency |
| 1 | any | 1,000 | F | 1/1/2024 | 100 | $ | Increase | Annual |
| 2 | Any | 500 | F | (spaces) | (sp) | (sp) | (sp) | (sp) |
| 2a | Any | 500 | F | (spaces) | (zero) | (sp) | (sp) | (sp) |
| 3 | 9/15/23 | 800 | I | 10/15/23 |  |  | Increase | Annual |
| 4 | 10/15/23 | 880 | I | 10/15/23 | 80 | $ | Increase | Annual |
| 5 | 11/10/23 | 880 | I | 10/15/24 |  |  | Increase | Annual |
| 5a | 11/10/23 | 880 | I | 10/15/24 | (zero) |  | Increase | Annual |
| 6 | 10/15/24 | 880 | I | 10/15/24 | Zero | $ | Increase | Annual |

Use cases 1 and 2 are regular scenarios for Fixed and Indexed payouts (and apply equally to Indexed payouts) where either all 5 of the fields are used or all are spaces (Note: P.C.Amount can be spaces or zeroes, see 2a and 5a alternatives).

Use case 3 and 5 are the waiting period between changes, the payout will change on a future date by an unknown Amount (Payout Change Amount and Qualifier left spaces).

Use case 4 is the day of the change, when the POV file shows the actual New Annuity Payout Amount, and the calculated Payout Change Amount. All 5 fields are filled, meeting the same edits as Use Case 1.

Use case 6 is when the market does not increase, thus a Zero Dollar increase was calculated by the system. The Payout Change Amount is zero, and the Qualifier is filled in indicating that the calculated change was zero. This use case is stopped by the Edits, as either Amount and Qualifier must be spaces; or Amount zero and Qualifier spaces; or Amount > zero and Qualifier filled in. But Amount = zero and Qualifier filled in is errored.

Our suggestion is to either:

* Allow zero value with Qualifier filled in, or
* (recommended) Remove 2a and 5a; if the Amount is not used it must be Spaces, when the Amount is filled in it can be >= zero, and the Qualifier must be filled in

1. ***Recommended Record Layout Changes:***

Change edit on Payout Change Amount and Payout Change Qualifier.

* When Payout Change Amount is valued (zero or positive) then Payout Change Qualifier must be present
* When Payout Change is not used it must be spaces

1. ***Business Scenario – (Used to determine Best Practices)***

For Indexed Payouts, a payout change amount may be calculated to be zero based upon Market conditions.

1. ***Standard Usage – (Should include specific field/code usage)***

For Fixed and Variable Payouts, all 5 Payout Change fields must be filled in or all left spaces.

For Indexed Payouts:

* all 5 Payout Change fields must be filled,
* all left spaces, or
* 3 fields (date, direction, frequency) filled in and Value, Qualifier spaces

1. ***Status Update:***

Indexed Payouts will change periodically depending upon market conditions. In the 2023 Summer Release several enhancements were made to the edits to allow for index payout type. Several use cases were reviewed to identify fixed (F) payout versus index payout depending on when the POV file was sent and if you are reporting on the actual ‘future’ calculated payout amount or if it has already been calculated.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Use  Case | Date | Annuity  Payout  Amount  -3701 | Payout  Type  -3706 | Payout  Change  Date  -3860 | Payout  Change  Amount  -3861 | P.C.  Qualifier  -3862 | P.C.  Direction  Indicator  -3863 | P.C.  Frequency  -3864 |
| 1 | any | 1,000 | F | 1/1/2024 | 100 | $ | Increase | Annual |
| 2 | Any | 500 | F | (spaces) | (space) | (space) | (space) | (space) |
| 2a | Any | 500 | F | (spaces) | (zero) | (space) | (space) | (space) |
| 3 | 9/15/23 | 800 | I | 10/15/23 |  |  | Increase | Annual |
| 4 | 10/15/23 | 880 | I | 10/15/23 | 80 | $ | Increase | Annual |
| 5 | 11/10/23 | 880 | I | 10/15/24 |  |  | Increase | Annual |
| 5a | 11/10/23 | 880 | I | 10/15/24 | (zero) |  | Increase | Annual |
| 6 | 10/15/24 | 880 | I | 10/15/24 | Zero | $ | Increase | Annual |

The review board group went over the different scenarios on the enhancement request. There was feedback and questions on the use case. For use case 3 and 5 there was a question on why the direction indicator is populated in these scenarios (the frequency would make sense but not clear on direction indicator). The group reviewed use case 6 and is a valid case that would require an edit change in POV. The group had more to discuss but time ran out. It was determined a working group is potentially needed to continue discussion.

**Enhancement request is pending**

*11/3/2023:* Reviewed each scenario with the group again and determine that Payout Change Amount may be zero-dollar amount and therefore an edit will need to occur to allow this $0.00 to be passed but certain fields will need to be present to allow the zero amount to be passed.

Along with Payout Change Amount (3861) which equals to 0.00, the Payout Change Qualifier (3862); Payout Date (3860); and Payout Change Frequency (3864) will be required to be populated.

**Enhancement has been approved for the next release.**

**Revision History**

Date By Version Description

10/2/2023 Andrea Tamanas 1.0 Added enh # and review date

11/7/2023 Andrea Tamanas 2.0 Added Status Update