

RETIREMENT REFUNDS

AGENCY IS RESPONSIBLE FOR OBTAINING
THE RETIREMENT REFUND FROM THE
EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA.

INSTRUCTIONS INSIDE INCLUDES:

- (1) SALARY OVERPAYMENT**
- AND**
- (2) INELIGIBILITY TO CONTRIBUTE TO ERS**

RETIREMENT REFUND CODES:
OVERPAYMENT &
INELIGIBILITY TO CONTRIBUTE

BALANCE SHEET ACCOUNT CODES:

9050 SALARY REFUNDS PAYABLE

The Retirement Department chose to use this BS code instead of creating a BS code just for retirement refunds. Using the 9050 BS code will not create any problems because it will have a zero balance when the refund for retirement procedures is completed.

OBJECT/SUB-OBJECT CODE:

0100 04 Employee's Salary Code

**0100 75 Employee's Salary Code -
Prior Period Adjustment**

0200 02 Employer's Share of Retirement

**0200 75 Employer's Share of Retirement -
Prior Period Adjustment**

(1) SALARY OVERPAYMENT - RETIREMENT REFUNDS

(2) Retirement Refund - Ineligibility to Contribute instructions on page 4...

Steps taken to refund retirement to the AGENCY ONLY:

Step 1: Agency must send a letter to RSA indicating the salary overpayment situation and include the invoice number from Step 2 in the letter and it send to the Retirement Systems. The total amount of the invoice is the Employer and the Employee share of the retirement.

Step 2: Agency enters an Invoice (IN) transaction in AFNS.
 PROV code **MUST** be AGCY02000 00
 Account coding on the IN **MUST** be: Agency's Fund Number
Agency's Agency Code
BS ACCT 9050

***NOTE: Once the IN 'accepts' the BBAL table will show a balance for BS 9050 with the Agency's Fund Number.**

Step 3: Retirement System enters a PV Type 2 that creates a CASH RECEIPT with an 'I' in the CR document number. This Cash Receipt closes the IN.

Step 4: The Agency receives the following reports:

- Interfund Receipts Register by Seller Agency – (CAS Report)
- AFNS Interfund Cash Receipts Synopsis – (AFNS Report)

These reports confirm that the money has been moved from the Retirement System to the Agency's fund.

Step 5: The Agency **MUST** now enter a JV document to clear out BS Acct 9050
 The JV will be a Debit to BS ACCT 9050 and a Credit to the expenditure codes that were used on the original payroll check, such as:

<i>Reduces BS 9050 Salary Refunds Payable</i>										
<i>Decreases Salary Expenditure</i>										
<i>Decreases Retirement Expenditure</i>										
AC					ACTI-	OBJ/	SUB	BS	DEBIT	CREDIT
TP	FUND	AGCY	ORG	APPR	VITY	REV	O/R	ACCT	AMOUNT	AMOUNT
=====										
02	XXXX	XXX						9050	XXX.XX	
22	XXXX	XXX	XXXX			0100	04			XXX.XX
22	XXXX	XXX	XXXX			0200	02			XXX.XX

How to Calculate JV Amounts:

DEBIT	CREDIT	CREDIT
BS Account = 9050	Object Code = 0100 04	Object Code = 0200 02
Total Invoice Amount	Employee Retirement	Employer Retirement

Once the JV is processed (accepted), the budget will be restored to the major object codes (reducing expenditures).

***NOTE: Once the JV 'accepts' the BBAL table will show a ZERO balance for BS 9050.**

