

## 115.5 Issuance of Payments

The Kansas City Financial Center of the Department of the Treasury prepares and issues payments for the RRB.

The monthly payment issue file for recurring annuity payments is electronically transmitted to the Kansas City Financial Center (KFC) usually on the 4th to last working day in the month prior to the month of issue. KFC prints the checks and prepares EFT payments. KFC makes the checks available to the U.S. Postal Service in time for delivery on the 1st business day of the month. They transmit the EFT payments to the Federal Reserve Bank for distribution to the financial institutions for posting to accounts on the first business day of the month.

Accrual payments are separate checks/EFT releases. This includes initial awards and accrual payments released after an adjustment or reinstatement award. Accrual payments made by check are generally received within 2 weeks of the date payments are processed (the voucher date). Accrual payments made by EFT are generally received within 2 days of the date payments are processed (the voucher date).

- A. Retirement Benefits - An employee annuitant receiving both a regular annuity and a supplemental annuity receives one recurring payment covering both benefits.

An employee annuitant whose SS benefit is paid by the RRB receives one recurring payment covering the regular retirement annuity, supplemental annuity (if they are entitled to one), and Social Security Act benefit.

A spouse annuitant whose SS benefit is paid by the RRB receives one recurring payment covering the spouse annuity and SS benefit.

Checks representing combined benefits have a legend printed under the check amount ("RR COMB BEN") with additional legends printed at the bottom of the check identifying the type and amount of each benefit included in the check.

If either the RR or the SS benefit has been suspended, a separate payment will be issued for the benefit that continues to be paid. If payment is by check, the legend under the check amount will indicate which benefit is being paid. When the suspended benefit is reinstated, the accrual payment will be separate as usual, and the first monthly payment released on a regular recurring basis will be for combined RR/SS benefits.

A one-payment-only to an annuitant in suspended or terminated status may be made using paper check or EFT. An EFT routing number is maintained on the record unless a death termination has been processed.

B. Survivor Payments - Each survivor annuitant receives a separate check/payment.

A survivor annuitant whose SS benefit is paid by the RRB receives one recurring payment covering the survivor annuity and the SS benefit.

If payment is by check, a legend is printed under the check amount ("RR COMB BEN") with additional legends printed at the bottom of the check identifying the type and amount of each benefit included in the check.

If either the RR or the SS benefit has been suspended, a separate payment will be issued for the benefit that continues to be paid. The legend on the check under the check amount will indicate which benefit is being paid. When the suspended benefit is reinstated, the accrual payment will be separate as usual, and the first monthly payment released on a regular recurring basis will be for combined RR/SS benefits.

If either the RR or the SS benefit has been suspended, a separate payment will be issued for the benefit that continues to be paid.

If payment is by check, the legend under the check amount will indicate which benefit is being paid. When the suspended benefit is reinstated, the accrual payment will be separate as usual, and the first monthly payment released on a regular recurring basis will be for combined RR/SS benefits.

A one-payment-only to an annuitant in suspended or terminated status may be made using paper check or EFT. An EFT routing number is maintained on the record unless a death termination has been processed.

C. Separate Social Security Payments - Separate social security payments are issued when:

- Two SS benefits are paid by the RRB; and
- One of the two SS benefits is paid from the OASI (Old Age and Survivors Insurance) Trust Fund, and the other is paid from the DI (Disability Insurance) Trust Fund. These are the two separate trust funds from which SS benefits are paid; separate checks/EFT payments are necessary to charge the benefit against the correct trust fund for accounting purposes. Retirement and survivor benefits are paid from the OASI fund. Disability benefits, including family benefits based on a wage earner's disability, are paid from the DI fund.

If a railroad annuity is payable in this situation, the SS OASI benefit is combined with any RR annuity payable and issued in one payment. The SS DI benefit is paid in a separate payment.

When paying the SS disability benefit in a separate check, we use:

1. The following symbols and prefixes for the SS disability benefit:
  - Employee: WCA
  - Spouse: WCA
  - Survivor: WCA or WCD
2. The next available payee code (i.e., one that has not been used already or has not been reserved for the spouse), and
3. The RR employee's claim number.

When a person receiving an SS disability benefit attains full retirement age (FRA), SSA will convert that benefit to a retirement benefit and the RRB will begin to issue one payment covering payment of any RR annuity plus the SS benefits.

### **115.10 Distribution Of Payments**

Treasury's Kansas City Financial Center issues all RRB payments. Payments are made by check and electronic funds transfer (EFT). Award letters are prepared and released by the RRB directly to the annuitant. The award letter is usually received within 2 weeks of the payment date.

Receipt of the check/EFT payment may be delayed if the award voucher rejects. If the award letter was processed on ALTA, it will not be released until the voucher is corrected. If, however, the award letter was produced by RASI or prepared manually, it may be released even if the payment is not. Any rejects are re-vouchered on a priority basis. If it is necessary to extend the accrual amount through another month, the examiner will send the annuitant a Form Letter RL-121d explaining that there will be a delay in the check/EFT payment release. A corrected award letter will be sent providing the revised accrual amount. In both instances, a copy will be sent to the servicing field office or be available for viewing on the imaging system.

### **115.15 Release of Large Accrual Paper Checks (\$10,000 Or More)**

Award accruals over \$10,000 paid by a paper check, must be preceded by advance notice. We do not send advance notice in direct deposit/EFT, mechanical award, or residual lump sum payments situations even if the accrual is over \$10,000. An Outlook Form e-G-115, Large Accrual Notice, is prepared by the claims examiner and sent to the servicing field office for annuitants residing in the United States, Canada and Mexico. Form e-G-115 is available under the "ACTIONS" tab of the Office of Programs public folder. The examiner uses [RCM 10.3](#) Appendices B and C to identify Canadian provinces and Mexican states serviced by RRB field offices.

The e-mail notice includes the examiner's name and unit location, and identifying information on the recipient, i.e., name, address, claim number, social security number (if different), telephone number, representative payee (if applicable), the type of payment (recurring or OPO), and the reason for accrual. The gross accrual amount before tax withholding is shown.

Advance notification allows the field office to assist the beneficiary in making arrangements to negotiate or deposit the check. The advance notice is released by the examiner when sending the case to authorization. If authorization results in a substantial change to the accrual amount, a modified e-G-115 Large Accrual Notice should be sent.

DO NOT notify the annuitant until the award appears on DATAQ or PREH. The net accrual will be available on DATAQ.

If, in your judgment, the release of a large accrual check (not necessarily \$10,000 or more) will cause a hardship to an annuitant, you can request in advance that arrangements be made for mailing the check to the field office for personal delivery.

### **115.20 Payment by Direct Deposit (Electronic Funds Transfer)**

The Department of the Treasury (Treasury) now requires all Federal benefit and nontax payments to be made electronically. This requirement applies to both Railroad Retirement Act (RRA) and Railroad Unemployment and Sickness Insurance Act (RUIA) benefit payments. Applicants who apply for benefits on or after May 1, 2011 will need to choose an electronic payment option to receive their benefit payments.

Annuitants/claimants currently receiving their benefit payments via paper check will need to switch to electronic payments by March 1, 2013. Annuitants/claimants who are already receiving their benefit payments electronically are not affected.

Exceptions: Treasury will allow benefit payments to be paid via paper check to individuals who meet one of the following exemptions:

- age 90 or older (born before May 1, 1921),
- had a Direct Express® card that was suspended or cancelled,
- have a mental impairment (non-representative payee situations), or
- live in a remote area of the country that lacks the infrastructure to support electronic financial transactions.

The individual must provide notarized documentation attesting that they meet one of the exemption criteria. Treasury is responsible for obtaining the notarized documentation from the individual and for making the waiver determination. The advantages of Direct Deposit should be explained to any applicant or beneficiary who is thinking about claiming a waiver from mandatory EFT. Those advantages include:

- Direct Deposit payments are sent electronically to the beneficiary's checking or savings account at a bank, savings and loan, credit union or other financial institution. Direct Deposit payments cannot be delayed or lost in the mail, misplaced or stolen.
- For nonrecurring payments, Direct Deposit payments are generally available to a beneficiary on the first or second business day following the day the RRB approves a payment. This is 2 to 5 days sooner than payment by check. (NOTE: Treasury regulations require that financial institutions make benefit payments available for withdrawal by the beneficiary no later than the opening of business on the payment date. The payment date is the date on which the financial institution's Federal Reserve account is credited by the Federal Reserve Bank for the amount of the payment.)
- Direct Deposit is a safe, convenient and reliable way to receive benefit payments.
- Direct Deposit saves the Railroad Retirement Trust Fund money, money that can be used to pay future benefit payments.
- Beneficiaries have a permanent record of their benefit payments through their bank records.

The beneficiary must be reminded of the importance of keeping the RRB informed about changes in their mailing address. Although payments will not be sent to the home address, important correspondence such as tax statements and the RRA rate notices will be mailed to the home.

### 115.20.1 Treasury Department "Tools"

The Financial Management Service of the Department of the Treasury provides these references and services to assist in the Direct Deposit program:

<u>Financial Organization Master File (FOMF)</u>	The Treasury Department's list of financial institutions receiving government automated payments. An on-line version is available on RRAPID.
<u>Canadian Financial Institutions Branch Directory</u>	The list of financial institutions and their bank codes, branch codes, and addresses. To view the on-line web version click on the link <a href="#">Canadian Financial Directory</a> .
<u>IBAN Decoder Tool</u>	A website tool that is used to decode the International Bank Account Number (IBAN),

	secure bank code, branch code, and account number.  <a href="http://www.xe.com/idt/">Http://www.xe.com/idt/</a>
<u>The Green Book</u>	The Treasury Department's manual on Direct Deposit. Financial Institutions receive the <u>Green Book</u> and periodic updates from Treasury. The Green Book is available on-line at <a href="http://www.fms.treas.gov">www.fms.treas.gov</a> .
<u>Marketing Materials</u>	The Treasury Department assists the RRB by designing, publishing and issuing check stuffers, brochures and posters.
<u>Notification of Change (NOC)</u>	NOC is an automated method used by financial institutions to notify Federal agencies through the Federal Reserve Bank of corrections or changes in account information.

### 115.20.2 Direct Deposit Terminology

This section lists terms frequently used in Direct Deposit procedure and Treasury publications.

<b>Account Title</b>	The account title provides individual identification and may include the names of others that are also authorized to withdraw funds from the account. The RRB requires that the annuitant's name be included in the account title.  Note: For International Direct Deposit (IDD), if other individuals are authorized to withdraw funds from the account, each individual must read the special notice contained on Form OF 1199-I and sign Section E of the form.
<b>Account Type</b>	The letter code C or S preceding or following the Depositor Account Number (DAN). C = checking; S = savings.
<b>Automated Clearing House (ACH)</b>	A central distribution and settlement point that performs inter-bank clearing of paperless entries for participating financial institutions to exchange funds electronically.

<b>Check Digit</b>	The ninth number of the routing transit number (RTN) which is actually a result of a mathematical formula applied to the RTN. It is used to verify the accuracy of the RTN.
<b>Depositor Account Number (DAN)</b>	Account identification assigned by the financial institution. The DAN may be up to 17 characters in length and consist of numbers and/or letters.  Note: Some foreign financial institutions have depositor account numbers that exceed 17 characters. .
<b>Direct Deposit (DD)</b>	A Federal government payment program for individuals, firms and other entities, which authorize the deposit of payments automatically into a checking or savings account. Payments are sent by Automated Clearing House (ACH), thereby eliminating the need to print and mail checks.
<b>Direct Deposit Analyst</b>	The RRB agency representative responsible for resolving Direct Deposit questions, discrepancies, and processing of all International Direct Deposit enrollment requests. This individual also maintains records of financial institution addresses and RTN. The telephone: (312) 751-4704, Email address: <a href="#">TCIS-CSU Group</a> .
<b>Electronic Funds Transfer (EFT)</b>	A system using electronic means to transfer payment data and funds from an originator (RRB) to a recipient's account at a receiving financial institution.
<b>Federal Reserve Bank (FRB)</b>	Serves as the nation's central bank. Its functions include: processing EFT payments, (including ACH) for the Federal government, handling Federal government deposits and checks, and supervising and regulating Federally chartered financial institutions.
<b>Financial Institution (FI)</b>	Acceptable financial institutions for Direct Deposit purposes are: banks, savings and loans, and credit unions.

<b>International Direct Deposit (IDD)</b>	A Federal government payment program for individuals living outside the United States, which authorizes the deposit of payments automatically into a checking or savings account with a financial institution outside the US. Payments are sent by ACH, thereby eliminating the need to print and mail checks.
<b>ITS.GOV</b>	International Treasury Services which enables federal agencies to issue foreign currency payments using the Automated Clearing House (ACH) network. The supporting web based application is used for processing IDD enrollments and maintaining bank address information for foreign benefit recipients.
<b>Magnetic Ink Character Recognition (MICR) Coding</b>	A special type font printed with magnetic ink on the bottom line of checks. The MICR-encoded line is used by the banking industry to sort and process checks. The RTN and DAN are found within the MICR coding.
<b>Power-of-Attorney</b>	A legal instrument authorizing one individual to act as an agent for the other. An individual appointed as power-of-attorney may <u>not</u> sign the Form SF-1199A or the <a href="#">Form OF 1199-I</a> on behalf of another, since the Form SF-1199A and the <a href="#">Form OF 1199-I</a> is a power-of-attorney itself. If advised that an annuitant has granted power-of-attorney to another individual, develop for a possible representative payee.
<b>Representative Payee</b>	A person who receives payments on behalf of a person who has applied for and is entitled to Federal benefits payable by law. The account of an individual with a representative payee must reflect that the representative payee has a fiduciary and not a personal interest in the funds. It also must indicate that the annuitant has ownership of the funds.
<b>Routing Transit Number (RTN)</b>	An eight-digit identification number assigned to financial institutions by an agent of the American Bankers' Association. This number is the



	<p>identification by which Direct Deposit/EFT payments are distributed to financial institutions.</p> <p>The eight-digit identification number for all International Direct Deposit accounts is <b>02105306</b>. This RTN is assigned to the International Treasury Services by which Direct Deposit/EFT payments are distributed to financial institutions in foreign countries through the Federal Reserve Bank of New York.</p>
<b>SF-1199A Direct Deposit enrollment (sign-up form)</b>	<p>A form providing the necessary information to initiate Direct Deposit. Its use is optional.</p> <p>The RRB does not maintain a supply of Forms SF-1199A. They may be obtained from a financial institution.</p>
<b><u>OF 1199-I</u> International Direct Deposit</b>	<p>A form providing the necessary information to process Direct Deposit for payments sent to beneficiaries living outside the United States. This is an Optional Form that can be downloaded from the RRB.gov website.</p>
<b>Trust Account</b>	<p>A trust account is one that is set up between two individuals refer to section <a href="#">115.21.6</a>.</p>

### 115.20.3 Initiating Direct Deposit

An RRB annuitant may initiate domestic (a U.S. bank) Direct Deposit in one of several ways:

- automated enrollment (ENR) at bank savings and loan, credit union or other financial institution where the annuitant wants payments deposited. (see section [115.24](#)),
- simplified formless enrollment (annuitant does not need bank to verify routing or account numbers),
- in-person visit to a field office,
- telephone call to a field office,
- completion of Form SF-1199A at a financial institution.

An RRB annuitant who lives outside the United States may initiate International Direct Deposit by completing Form OF 1199-I. The form is available on the rrb.gov website. Completed forms are to be forwarded to the Direct Deposit Analyst in TCIU.

If both the employee and spouse want to have payments sent by Direct Deposit, two enrollments, one for each annuitant, must be completed. Combined RR/SS benefit checks need only one enrollment to effect Direct Deposit.

Note: When an SS disability benefit is paid by the RRB in a second check, the annuitant will have to complete two Direct Deposit enrollments.

- A. Direct Deposit of Initial Payment - The APPLE system allows field office personnel to input the Direct Deposit information during the application process. The APPLE entry is simultaneously transmitted to the Initial Direct Deposit Application (IDDA) system. The information will remain on IDDA until a payment record is established or 270 days from the date the data was entered. See [FOM-I-110.73](#) and [FOM-1-1572.35](#).

Note: Field office personnel must refer all International Direct Deposit requests to the Direct Deposit Analyst who will enter the information on the ITS.gov application and on IDDA. If the beneficiary does not have a social security number, the Direct Deposit Analyst will process the enrollment once the annuity is in recurring payment status.

- B. Treasury Department Guidelines on Direct Deposit - Guidelines for the Direct Deposit program are outlined in the Treasury Department's Green Book. Important information supplementing information in the Green Book and this section will be provided to field offices by the Payment Analysis and Systems section of Policy and Systems. Field offices should disregard other "Direct Deposit" materials, e.g. promotional materials received from financial institutions, currency exchanges, etc.

If you receive procedural questions about Direct Deposit of RRB benefits from a financial institution that you cannot answer, refer the financial institution to the Direct Deposit Analyst (by telephone to 312-751-4704). If the financial institution needs general information about the Direct Deposit program or a copy of the Green Book, direct them to <https://fiscal.treasury.gov/reference-guidance/green-book>.

#### **115.20.4 Financial Institutions**

Direct Deposit enrollment is permitted at most traditional financial service organizations. Listed below are acceptable and unacceptable types of financial institutions. Do not attempt to enroll a beneficiary for Direct Deposit at any of the financial institutions shown as unacceptable.

- A. Acceptable Financial Institutions:
- Banks
  - Savings and Loans

- Credit Unions

B. Unacceptable Financial Institutions:

- Credit Card Companies
- Finance Companies
- Mutual Funds
- Brokerage Houses
- Insurance Companies
- Other non-traditional financial service organizations

### 115.20.5 Types of Accounts

Determine what type of account the annuitant has before processing the enrollment.

A. Acceptable Accounts - Funds may be deposited by EFT into these types of accounts:

- Checking
- Savings
- Transaction account (Now/Share Draft), but must be entered as a checking or savings account

B. Unacceptable Accounts - Direct Deposit cannot be processed for the following types of accounts:

- Commercial Accounts
- Credit Card Accounts
- Loan Accounts
- Accounts from which funds cannot be withdrawn

### 115.20.6 Sources of Bank Data

Bank data is found on a variety of documents. Some, however, do not provide complete and accurate information.

<b>Acceptable Documents</b>	<b>Unacceptable Documents (Do Not Use)</b>
Bank statement	Deposit tickets
Check	IRS forms
Passbook	Starter checks
Information received directly from the financial institution or annuitant	

### **115.20.7 Where to Find Direct Deposit Information**

The easiest way to secure accurate Direct Deposit information is by telephoning the financial institution. When provided with sufficient customer identification, the financial institution is usually able to confirm the account number and routing transit number.

If information is needed from a financial institution outside the US, telephone the financial institution or request assistance from the U.S. Embassy or the Consulate in the foreign country. Contact the Direct Deposit Analyst in TCIU if your office does not have the ability to make international calls.

Other sources for payment information include:

#### **A. TYPE OF ACCOUNT AND DEPOSITOR ACCOUNT NUMBER**

- Voided check
- Passbook
- Bank statement
- Telephone the annuitant

#### **B. NAME AND ADDRESS OF FINANCIAL INSTITUTION**

- On-line Financial Organization Master File (FOMF,
- Canadian Financial Directory
- Envelope/Correspondence from financial institution
- Local telephone directory
- Telephone the Direct Deposit Analyst
- Telephone financial institution,

- Telephone the annuitant

C. ROUTING TRANSIT NUMBER AND CHECK DIGIT

- Voided check
- Telephone the Direct Deposit Analyst
- Telephone financial institution
- Telephone the annuitant

HELPFUL HINT: If the annuitant desires Direct Deposit into a savings account, ask if they also have a checking account at the same financial institution. The savings account passbook will not show the RTN; a check will. Always verify the routing transit number using the FOMF or by calling the financial institution.

D. ACCOUNT TITLE

- Voided check
- Passbook
- Bank statements
- Telephone financial institution

E. BANK CODE AND BRANCH CODE

- Voided check
- Documents from the foreign financial institution

### **115.20.8 Acceptable Account Titles**

The account title must reflect the exact title of the account into which the payment is to be credited. It must include the name of the RRB annuitant either as the sole owner or one of the joint account holders.

Generally, if the following requirements are met in the account title, honor requests to forward annuity payments for credit to these accounts. If there is any doubt as to the acceptability of an account title, clarify it with the financial institution.

Payee Is Recipient of Benefits - Persons entitled to benefits in their own right may have their payments directed to either a single signature savings or checking account maintained in their own name or to a joint ownership savings or checking account. The title of the account must show that the recipient is co-owner of the funds in the account.

Note: If the IDD enrollee is not the sole owner of the account, the other account holders must read the special notice on the enrollment form and certify in section E of Form OF 1199-I that they have read the notice.

#### EXAMPLES:

Check payable to: John Doe. Savings or checking account title may be:

- John Doe;
- Mr. and Mrs. John Doe;
- John or Mary Doe; or,
- variations of the above

Check payable to widow: Mary Doe. Savings or checking account title may be:

- Mary Doe, or;
- Mrs. John Doe

Note: If the IDD enrollee is not the sole owner of the account, the other account holders must read the special notice on [Form OF 1199-I](#) and certify in section E of the form that they have read the notice.

### **115.20.9 Account Title in Representative Payee Direct Deposit Cases**

- A. Representative Payee is Other than Parent or Spouse - If the representative payee is a person other than a parent or spouse, payments may be directed to a savings or checking account which is titled to show clearly that the representative payee has only a fiduciary and not a personal interest in the funds. In addition, the account title must not allow the annuitant direct access to the funds. Instruct representative payees using Direct Deposit, that annuitants should not have access to the account. Examine the bank documents carefully to determine compliance with account title guidelines. If there is any question about the validity of the account title, telephone the financial institution for confirmation.

#### EXAMPLES:

Check payable to: Ann Smith for John Doe.

Checking or savings account titles may be:

- John Doe by Ann Smith, Representative Payee
- Ann Smith for John Doe.

Note: The representative payee must be shown as a trustee or guardian of the account. The representative payee cannot authorize us to send payments to an account to which they have no access.

Under RRB regulations (20 CFR 266.11(d)), a representative payee is prohibited from commingling their personal funds with the annuitant's funds. However, a representative payee may consolidate and maintain an annuitant's funds in an account with other annuitants, as long as the representative payee maintains a separate, accurate, and complete accounting of each annuitant's funds. Field offices are responsible for ensuring that the representative payee sets up the collective account according to the following guidelines:

- The collective account must be properly titled to show the beneficiaries as the owners of the account.
- Any interest earned on the account belongs to the beneficiaries and must be credited to them on a prorated basis, based on their share of funds in the account.
- The account title must show that the funds belong to the beneficiaries and not the representative payee. Examples of acceptable collective titles are: (1) Northshore Nursing Home, representative payee for Railroad Retirement Beneficiaries, or (2) Franklin Home, representative payee for Social Security and Railroad Retirement Beneficiaries.
- The account must be separate from the representative payee's personal account or institution's operating account.
- There must be clear and current records showing the amount of each individual beneficiary's share in the account and that proper procedures are followed for documenting credits and debits for the individual beneficiaries.
- The accounts and supporting records must be made available to the RRB, upon request.

Additionally, field office records of representative payees are to be flagged to show when funds are being deposited into a collective account. Field offices are responsible for reviewing the account and related records to ensure continued compliance with the guidelines.

- B. Representative Payee is the Parent or Spouse - If the representative payee is the parent or spouse of the person(s) for whom payment is made, payments may be directed to a checking or savings account jointly owned by the representative payee and the annuitant.

EXAMPLES:

- Acceptable checking or savings account titles include:
- Sally Doe by Mary Doe, Representative Payee;
- Mary Doe for Jimmy Doe;
- Patty Doe by Mary Doe, Trustee
- Mary Doe and Sally Doe, or
- Mary Doe or Jimmy Doe.

A representative payee who is the parent or spouse of the beneficiary may also request Direct Deposit into their own checking account if the following conditions are met:

- The payee is the spouse, parent, or stepparent of the beneficiary.
- The payee and the beneficiary live in the same household.
- The payee requests direct deposit to their personal checking account and,
- The field office has verified with the payee that benefits will be used for the beneficiary's current expenses and will not be accumulated in the account.

The title of the checking account does not need to indicate the beneficiary's ownership of the funds. (This exception does not apply to direct deposit to a savings account.)

Example: A widow files for survivor's benefits for her three children upon the death of their father. She requests direct deposit of the children's benefits to her checking account, stating that the children live with her and that all benefits will be used for the children and no money will be accumulated in the account.

### **115.20.10 Depositor Account Number (DAN)**

The DAN may be all numerals, all letters, or a combination of both. Dashes (-) may be used as part of the number (i.e., 1234-5678), but other symbols such as slashes (/) or asterisks (\*), and spaces are not acceptable. If a symbol other than a dash is used, contact the financial institution.

- **Editing Account Numbers** – Some financial institutions do not have depositor account numbers, but instead use names. If the depositor's name is used as the account number, insert dashes between the first name (or initial), middle initial and last name. If there is a period after an initial, edit it out. If the name, including dashes, exceeds 17 characters and is not for an International Direct Deposit, contact the financial institution and attempt to resolve the problem.



- Domestic account number exceed 17 characters - A numerical domestic account number, including dashes, cannot exceed 17 characters. If the account number, including spaces, exceeds 17 characters, edit out the spaces. If after editing out the spaces (do not edit out dashes), the number still exceeds 17, contact the financial institution.
- International depositor's account numbers can exceed 17 characters. However, even if an International depositor's account number is less than 17 characters, it will not be displayed on FAST-COA-DD. All International depositors' account number are entered and maintained in ITS.gov. DATAQ will only display the payee's identification number in the account number field. This is a 14 character string consisting of the RRB 9-digit claim number; follow by the beneficiary symbol, prefix and payee code. The ACCOUNT TYPE/NO on DATAQ must adhere to a specific format. It is advisable that you contact the Direct Deposit Analyst, if you require assistance.

### **115.20.11 Account Type**

The account type may be either checking (C) or savings (S). Canadian financial institutions will return a payment if the type of account is not correct, so always secure the correct account type for Canadian enrollments.

### **115.20.12 Understanding Bank Documents**

The RTN, check digit, account number and type of account are found in different formats on various bank documents.

Note: Checks from a credit union accounts, savings account passbooks, and bank statements do not always reflect the correct RTN. Refer to section [115.20.7](#) for references on locating the RTN.

Note: It is not necessary to secure the RTN for IDD because all IDD enrollments will be processed with an RTN of 02105306 and check digit 5.

### **115.21 Processing Direct Deposit Enrollment Requests**

Enrollment in the Direct Deposit program will be processed based upon a written request, a verbal (telephone or in-person) request, receipt of a Form SF-1199A or receipt of a [Form OF 1199-I](#).

A separate request and corresponding enrollment is required for each payee.

For documentation purposes, a copy of the direct deposit forms (Form SF-1199A, [Form OF 1199-I](#), or Form G-94F), the written request from the annuitant, or the email request from the U.S. Embassy must be sent to the imaging system. If the request was received verbally, an entry must be made on the Contact Log.

A letter verifying enrollment, Form RL-79E, is automatically issued for each Direct Deposit enrollment or modification processed on FAST. There are three versions of the Form RL-79E for each of the direct deposit programs: Domestic Direct Deposit, Direct Express, and [International Direct Deposit](#). A copy of the direct deposit confirmation notice will be available in the imaging system.

**115.21.1 Written Requests**

An annuitant can submit a written request to initiate Direct Deposit enrollment. The written request must be signed by each payee desiring Direct Deposit. The request should include this information:

Domestic Direct Deposit	International Direct Deposit
Account title	Account holder
Routing Transit Number and check digit **	Bank Code***
Depositor Account Number **	Branch Code***
Account type (checking/savings)	Depositor Account Number
	Account type (checking/savings)
	Currency type ****
	Account Title or Ownership (individual/joint)

\*\* Refer to section [115.20.6](#) for an explanation of acceptable sources of bank data.

\*\*\*The bank code and branch code are required for processing all Canadian International Direct Deposit enrollments. Other countries may provide a bank code that includes the branch code or, provide an IBAN that includes the bank code, branch code, and depositor account number.

\*\*\*\*With the exception of Canadian claims, all International Direct Deposit enrollments are processed in the country’s local currency. Canadians are the only group of individuals that can have a U.S. dollar account, a Canadian dollar account, or both. In which case, the account number they provide must match the type of currency or the payment will be returned by the bank.

## 115.21.2 Verbal Requests

Annuitants can telephone or visit a field office to enroll for domestic and International Direct Deposit. As appropriate, the contact representative will ask the enrollee a series of questions meant to verify that the caller is the RRB annuitant.

A. Suggested questions include:

- What is your full name?
- What is your RRB claim number?
- What is your address?
- What is your date of birth?
- What is your Medicare Beneficiary Identification number?

Document the questions asked on Contact Log.

(The answers to the above questions must match the information available on our records).

B. The payee should also be able to provide most, if not all, of the information listed below:

- Account title,
- Name and location of financial institution,
- Routing Transit Number and check digit (the RTN is not needed for IDD requests),
- Account number,
- Account type (savings or checking)
- Currency type (required for Canadian IDD requests)
- Bank Code and Branch Code for all Canadian IDD enrollment requests
- IBAN or International Bank.

(Refer to section [115.20.7](#) for additional sources of this information.)

When making a change to a beneficiary's address or adding/changing direct deposit; document the contact log showing we confirmed the identity of the caller (see [FOM1](#)

[130.50](#) for instructions on confirming identity of callers), and state the additional piece of information that was obtained. Also, if there is an alert in the contact log indicating the customer made a special request, such as to require a password before allowing a change, make a note in the contact log indicating we have honored that request. For example:

- MA called to request change of Direct Deposit. Confirmed identity, MA provided employee's last railroad employer and current Direct Deposit account number.
- EE called to request Change of Address. Confirmed identity, EE gave date last worked and provided the correct password as indicated in the Contact Log alert.

### **115.21.3 Requests for Deposit of Payments in Banks Outside the U.S.**

Not all foreign countries are participants of the International Treasury Services (ITS) program. Some countries are not eligible because they do not have adequate system security or because their financial systems are not equipped for routing electronic payments. Other countries are restricted from receiving payments. (See [Eligible Countries](#) for a list of countries that meet the system requirements and are active participants in the International Direct Deposit program).

In addition to the country's eligibility requirement, the payment recipient must reside in a foreign country. Payment recipients, who do not have a foreign mailing address in our systems, cannot be enrolled in IDD. Investigate all conflicting mailing addresses. Process a change of address before sending the enrollment request to the Direct Deposit Analyst. If the payment recipient resides in a domestic address, release a modified Form RL-199 to explain that we cannot process the request for IDD because we have a U.S. address listed for them. However, if they have an account at a bank in the U.S., they will need to complete form SF-1199A to request Direct Deposit through the domestic bank.

IDD enrollment requests are processed by the Direct Deposit Analyst. The Direct Deposit Analyst will accept IDD requests by telephone, fax, or email. Send emails to: [TCIS-CSU Group](#). However, the preferred method of enrollment is by securing a completed form [OF 1199-I](#), International Direct Deposit Sign-Up Form, with signatures from the bank official and the payment recipient. Payment recipients requesting enrollments for a checking account should be encouraged to submit a voided check along with Form [OF 1199-I](#).

Form [OF 1199-I](#) can be downloaded from the rrb.gov website and can be mailed or faxed to the Direct Deposit Analyst at:

US Railroad Retirement Board  
 Direct Deposit Analyst  
 844 N. Rush Street  
 Chicago IL 60611

Telephone: (312) 751-4704  
Fax: (312) 751-7157

#### **115.21.4 The Request Made by Annuitant when Payments Are in Force to Representative Payee**

If a request is received by a beneficiary and payments are being made to a representative payee:

- Advise the requestor that the enrollment cannot be processed at this time and state the reason;
- Investigate to determine if the representative payee is no longer needed;
- If the annuitant will now be paid directly, process the domestic Direct Deposit request after the representative payee has been deleted; or if the request is for IDD, send the enrollment request to the Direct Deposit Analyst.
- If payments should continue to be made to the representative payee, the new enrollment request should be destroyed.

If the request was received in headquarters and there is a representative payee on record, the request will be referred to the field office for investigation. Headquarters will advise the financial institution of the reason the Direct Deposit request was not processed and the field office to which it was directed.

#### **115.21.5 Processing Direct Deposit Request Made By a Representative When We Are Paying the Annuitant**

At times, the enrollment request will be made by a representative when we are paying the annuitant directly. These situations should be handled as follows:

- Advise the financial institution (if Form SF-1199A was completed) or the requestor that the enrollment will not be processed at this time and state the reason;
- Investigate to determine if a representative payee is needed;
- If the individual who made the request is selected as representative payee, process the domestic enrollment;
- If the request is for IDD and the individual who made the request is selected as representative payee, send the enrollment request to the Direct Deposit Analyst.

- If the payments should continue to be paid directly to the annuitant, the request submitted by the representative should be destroyed.
- If the request is received in headquarters and there is no representative payee on record, the request will be referred to the field office for investigation. Headquarters will advise the financial institution of the reason the Direct Deposit request was not processed and the field office to which it was directed.

NOTE: A request for enrollment (verbal, written, by Form SF-1199A or [Form OF 1199-1](#)) from an individual holding power-of-attorney for an RRB annuitant cannot be processed unless that individual has also been appointed representative payee by the RRB.

### **115.21.6 Trust Accounts**

EFT can be established for a Trust account if benefit payments made to a representative payee are not needed for the annuitant's current maintenance, reasonably foreseeable needs, support of legal dependents, or to pay creditors [creditors as defined in 20 CFR 266.10(d)]. The funds are to be invested in accordance with the rules applicable to investment of trust estates by trustees. Any investment must show clearly that the representative payee holds the property in trust for the annuitant.

### **115.21.7 Guardian/Conservator**

If the account title indicates that there is a guardian or conservator involved, begin development for a representative payee.

### **115.21.8 Direct Express Card Enrollment Requests**

The Direct Express® Debit MasterCard®--issued by Comerica Bank as the Treasury Department's financial agent – is a prepaid debit card and electronic payment option for federal benefits. The card is a Treasury-recommended, safe, convenient alternative to paper checks that does not require a bank account to sign up. Benefit payments are directly deposited to the card for use to make purchases, pay bills or get cash.

If an individual chooses the Direct Express® Debit MasterCard® and calls the toll free number (1-800-333-1795), the enrollment process will be initiated with Comerica Bank. Information about the enrollment will automatically be sent to the RRB via the Automated Enrollment (ENR) process (see [section 115.24](#)). The ENR serves as confirmation that that Direct Express® account has been established and the annuitant has activated the card. The Direct Deposit Analysts in the Unemployment and Programs Support Division are responsible for processing all ENR enrollments.

RRB employees in the field office and most headquarters employees do not process Direct Express enrollments. This is because the annuitant is not provided the actual

account number assigned to the Direct Express® account. The annuitant is only provided the card number, which is not the actual account number. The DDS will process a change of address/direct deposit transaction to add the Direct Express® account information to the RRB record, based on the ENR.

Additional action may be required in Direct Express® card cases if:

- The annuitant states they have enrolled in Direct Express®, have activated the card, but no payments are being posted
- A payment posted to a Direct Express® Debit MasterCard® account needs to be returned to the RRB
- A change in representative payee has occurred (also see [section 115.22.1](#))

For these situations, and all other inquiries concerning Direct Express®, forward the inquiry to the Direct Deposit Analysts via the TCIS-CSU Group Mailbox.

## 115.22 Changes In Annuitant Pay Status

### 115.22.1 Automatic Cancellation

These situations will cause automatic cancellation of Direct Deposit:

- Appointment or change of representative payee

**NOTE 1:** If the annuitant was enrolled in IDD or there is an IDD enrollment request, notify the Direct Deposit Analyst of the change or appointment of representative payee. IDD enrollments are processed through ITS.gov by the Direct Deposit Analyst and any change in the Direct Deposit information on our internal systems will require an update in the ITS.gov application.

**NOTE 2:** If the annuitant was enrolled in a Direct Express® Debit MasterCard® account, notify the Direct Deposit Analyst of the change of appointment of representative payee, Direct Express® enrollments are received via ENR and processed by Direct Deposit Analysts and any change in the Direct Deposit information may require a new enrollment and account number update on our internal systems. In addition, funds previously issued to the card may need to be returned requiring manual investigation and handling.

- Erroneous report of death – (This situation will cause the annuity to be terminated. See [section 145.20](#) for additional required actions). If the payment recipient was enrolled in IDD prior to the erroneous death termination, send an email via [TCIS-CSU Group](#) to the Direct Deposit Analyst so that the Direct Deposit information can be re-entered in ITS.gov.

- Invalid account number (In this situation, the payment is returned to the RRB as a code 92 and could cause the annuity to be suspended. (See section [115.25.8](#) if a payment is returned for this reason)
- Closed account (In this situation, the payment is returned to the RRB as a code 91 and could cause the annuity to be suspended. (See section [115.25.8](#) if a payment is returned for this reason)

### **115.22.2 Annuitant Initiated Cancellation**

The Financial Management Service does not require that agencies obtain a signed certification from individuals who invoke a hardship waiver from mandatory Direct Deposit. Because there is no regulatory requirement to obtain a signed statement, cancellation of Direct Deposit may be initiated by a telephone, in-person or signed written request. If, despite a contact representative's efforts to discourage such a change, a beneficiary determines that continued participation in the Direct Deposit program would impose a hardship, the contact representative should document the change and process the necessary FAST transaction to cancel Direct Deposit. If the request is verbal, the contact representative should carefully verify the identity of the caller (see [FOM-1-130.50](#)) and confirm that the correct address is shown on our records. Document the cancellation request on the Contact Log.

Secure this information from the payee:

- Name,
- Address,
- RRB Claim Number,
- Date of Birth,
- Name of Bank/Account Number.

Once the request for cancellation of Direct Deposit is received, input the cancellation using FAST-COA. If both an employee and spouse wish to cancel Direct Deposit, each annuitant must request cancellation. Two FAST-COA transactions must also be created.

A letter confirming cancellation, [Form RL-79C](#), is issued for each cancellation processed on FAST with a code C or D.

Always remind the annuitant of the need to keep the RRB informed of address changes.



### 115.22.3 Financial Institution Initiated Cancellation

The financial institution may cancel Direct Deposit enrollment with a 30-day written notice to the recipient. The notice should remind the recipient to make other arrangements for handling of the payments.

The annuitant should notify the RRB immediately if the enrollment is cancelled by the financial institution. DO NOT accept cancellation requests directly from the financial institution.

### 115.22.4 Representative Payee is Appointed or Changed

When a representative payee is appointed or changed, the Direct Deposit enrollment request completed by the annuitant or the former payee is no longer valid. The FAST-Representative Payee change will delete Direct Deposit when the records are changed to show the new payee's name and address. The new payee must complete a separate enrollment if he wants Direct Deposit to continue. Process the new Direct Deposit enrollment only after the new representative payee data shows on DATA-Q.

Note: If the new payee's enrollment request is for IDD, image the enrollment request form, and send an email to: [TCIS-CSU Group](#) after the new representative payee data shows on DATA-Q. All IDD enrollments are processed through ITS.gov by the Direct Deposit Analyst.

### 115.22.5 Reinstatements and New Entitlements

When an individual previously entitled to one type of annuity, subsequently qualifies for a different type of annuity, the adjudication units do not know if Direct Deposit payments should continue to the same account, under the same name. The field office must secure information regarding the continuation of Direct Deposit payments, when information is being developed for entitlement to a different annuity type.

Examples of change in annuity type include: when a spouse annuitant and employee divorce; and a widow(er) remarries. If the spouse or widow(er)'s annuity was under Direct Deposit, obtain a statement from the divorced spouse or remarried widow(er) which indicates whether Direct Deposit will continue. Record what changes, if any, will be made (name, depositor account number, etc.)

If the annuity is in pay status or suspended, enter the new Direct Deposit data on FAST-COA. (Send all IDD enrollments to the [TCIS-CSU Group](#) so the enrollment can be entered in ITS.gov and FAST-COA.)

If the record is terminated, the record must be deleted before Direct Deposit can be reestablished. Request that Headquarters personnel process a code 62 termination. The request should be referred to the appropriate adjudication unit via electronic mail. Following reinstatement, Direct Deposit can be added to the payment record.

When there is no change in the financial institution, the account number or the annuitant's name, the annuity is paid using the existing Direct Deposit data. The annuitant does not have to take any action after requesting continuation of Direct Deposit. (Note: Refer all IDD enrollments to the Direct Deposit Analyst even if there is no change in the bank information.)

### **115.22.6 Direct Deposit Processed for Wrong Annuitant**

Anyone entering Direct Deposit information should check the name, claim number, payee code, and mailing address for all annuitants, to make sure the enrollment is processed for the correct annuitant. However, there are cases in which Direct Deposit is processed for the wrong annuitant, usually when there is a divorced spouse or a remarried widow(er) on the rolls. This error causes one annuitant's payment to be deposited into another annuitant's account.

Special procedure should be followed when you become aware of this kind of problem. Process a transaction to enroll the correct annuitant for Direct Deposit and delete the Direct Deposit that was erroneously initiated. If the overpaid annuitant agrees to make immediate restitution, i.e. requesting their financial institution to return the misdirected payment, that is acceptable to the RRB. If the payment is returned code 92, process a change code 2 to have the payment mechanically reissued and the annuity reinstated. If the payment is returned code 06, refer the case to RSBD to manually reissue the payment and reinstate the annuity. If the payment is not received within five business days, notify RSBD to initiate recovery action against the annuitant paid in error.

(Note: All IDD enrollments processed for the wrong annuitant must be sent to the Direct Deposit Analyst for prompt handling.)

### **115.22.7 Erroneous Report of Death**

Annuities are sometimes terminated when the RRB receives an erroneous report of death. The annuity is reinstated immediately when the retirement or survivor customer service representative is informed of the erroneous termination. If the financial institution erroneously returns a payment coded for death, they will notify the annuitant and the RRB of the error. The financial institution may send a copy of the Form SF 1199A to the RRB to reinstate Direct Deposit. (Also see section [145.20](#))

NOTE: Upon receipt of a report of death, Direct Deposit data is deleted from the Checkwriting Master, but will still appear on the DATA-Q screen for reclamation purposes. In the situation of an erroneous report of death, reinstatement of the annuity will delete the Direct Deposit information from DATA-Q. The Direct Deposit information must be re-entered on IDDA. Otherwise, the reinstatement payment will be made by check. However, if the annuitant is receiving a combined railroad retirement/social

security benefit, the first benefit to be reinstated will be sent via Direct Deposit. The other benefit will be made by check.

An erroneous report of death received for an IDD enrollment must be sent to the Direct Deposit Analyst. The Direct Deposit Analyst will enter the International Direct Deposit information on IDDA and on the ITS.gov application. Since most foreign payment recipients do not have a social security number, the Direct Deposit Analyst will pend the claim until an award has been reinstated. Due to the processing time, it is possible for the reinstatement payment to be made by check and other payments to be sent via direct deposit.

### **115.22.8 Death of Annuitant and Outstanding Payments**

When an annuitant who has enrolled in Direct Deposit dies, the financial institution is required to immediately return payments to the RRB that are received after death as instructed in the Green Book. The financial institution releases a notice to the annuitant's last known address advising family members to contact the financial institution and the RRB if the date of death is incorrect.

When notice of death is received, the Automated Receivable, Reclamation, and Credit (ARRC) system will initiate reclamation action through the Department of the Treasury (Treasury). Treasury will send the reclamation notice, FS Form 133, to the financial institution requesting the return of the outstanding payments. If there are not enough funds in the annuitant's account to cover the outstanding payments, the financial institution is required to provide the names and addresses of the persons who withdrew monies from the account after the annuitant's death on the FS Form 133 and return it to Treasury. Treasury will forward a copy of the FS Form 133 to the RRB who then requests the outstanding amounts from the withdrawers. If the RRB is unsuccessful at collecting the outstanding total from the withdrawers, the financial institution is liable for the entire outstanding amount if they knew of the annuitant's death at the time of the deposit. If they did not know of the death, they are liable for the amount sent within 45 days of the date of death, not to exceed the outstanding total. Regulations covering the liability of financial institutions are found in the Green Book.

Note: Reclamation of IDD payments are handled manually by the Bureau of Fiscal Operations-Debt Recovery Division (BFO-DRD). BFO-DRD enters reclamation requests for IDD payments through ITS.gov. Unlike domestic financial institutions, foreign financial institutions operate on an honor system (best effort attempt) and Treasury has no authority to debit a foreign bank. If after 90 days the not-due payments have not been returned, the reclamation is closed and an alternative method of recovery, or decision to write the debt off, must be initiated by BFO-DRD.

Occasionally, refunds are made in excess of the amount released after the annuitant's death and/or a financial institution will erroneously return a payment received before the annuitant's death.

Refunds made in excess of the amount received after the annuitant's death, are considered over-reimbursements. The RRB will return the over-reimbursement as follows:

- If the financial institution returned the payments and the family refunded the amount of the payments later, the RRB will return the over-reimbursement to the family.
- If the financial institution returned the payments and Treasury debited the financial institution for the amount due, the RRB will return the over-reimbursement to the financial institution.
- If a financial institution erroneously returns a payment received before the annuitant's death, the payment is considered an annuity due but unpaid at death, even if the payment was returned/reclaimed based on a wrong date of death report. Annuities due but unpaid at death are paid as explained in [FOM-1-615](#); they cannot be repaid to the financial institution.

Exception: In the event the FI returns a payment from its own funds, i.e. the annuitant's account was not debited for the amount of the payment, RRB will settle with the FI. The FI must furnish a written statement that the annuitant's account was not debited.

### **115.22.9 Financial Institution Takeover/Liquidation**

When one financial institution is taken over by another financial institution, no special action is necessary on the part of Direct Deposit participants. Changes that are made are done in such a way that provides for the continuity in payments.

An arrangement is usually made with a neighboring financial institution to be the bank of receivership that accepts EFT payments made in the interim. These payments are provided to the annuitant in the form of cashier's checks.

However, Treasury does not require the appointment of a bank of receivership. When a financial institution closes, and does not refer its Direct Deposit payments to another financial institution, the payments are returned to the RRB. The returned payment deletes Direct Deposit information from DATA-Q and may cause the annuity to be suspended. See section [115.25.8](#).

When a financial institution is liquidated, all of its assets are usually frozen and no further deposits are accepted. The Federal Savings and Loan Insurance Corporation arranges to provide cashier's checks for the balance in a depositor's account. Agencies issuing Direct Deposit payments are provided with a list of their affected beneficiaries so that Direct Deposit can be deleted as soon as possible. No more than one month's payment would have to be handled in this manner.

Treasury regularly notifies the RRB of changes in the financial community and provides the names and claim numbers of affected RRB annuitants. Corrections to the annuitants' records are generally handled by the Direct Deposit Analyst and the Retirement and Survivor Customer Service Group representatives.

### **115.22.10 Processing Payment Record Changes**

Some payment record changes may be made at the field office on FAST-COA, while other changes are made by the financial institution through Treasury's automated notification of change (NOC) system. Foreign financial institutions cannot make changes through the automated NOC system. Record changes for IDD payments must be made by the Direct Deposit Analyst.

- A. Changing Financial Institutions - It is not necessary to cancel Direct Deposit at the current financial institution for the annuitant to change to a different financial institution. A new Direct Deposit enrollment will delete the previous enrollment. Be sure to advise the annuitant of the effective date of the new enrollment; the old account should not be closed out until the benefits begin to be credited to the new account. Closing the account could result in the payments being returned to the RRB and could cause the annuity to be suspended. The returned payments will have a return reason code 91. See section [115.25.8](#) if payments are returned for this reason.

Note: Send IDD financial institution changes to the Direct Deposit Analyst who will investigate with Policy & Systems-PAS.

- B. Changing Home Address - A FAST-COA transaction with a change code 2, 4, or 5 will change the mailing address only; it will not affect Direct Deposit status. Use the FAST-COA system whenever possible to change the mailing address of an annuitant. Direct Deposit can be deleted using the FAST system.

When you discuss Direct Deposit with an annuitant, impress upon them the necessity of keeping us informed of the home address. We must have an accurate and current home address for all of our Direct Deposit annuitants to ensure that mass adjustment notices, tax statements, and other informational material are delivered and received by the intended payment recipient.

It often comes to our attention when material is returned as undeliverable that we do not have a current address. When this occurs, use Form Letter RL-697F to request from the financial institution the most current address on record for the annuitant. The name and address for the financial institution's routing number displayed on DATA-Q can be found on the Financial Organization Master File (FOMF). FOMF can be accessed by selecting 31 from the RRAPID MAIN MENU. In some cases, a field assignment may be sent for you to investigate whether an annuitant is still alive and competent.

Form Letter RL-697F cites the U.S. Code which requires financial institutions to disclose this information to the RRB. The Form Letter RL-697F instructs the financial institution to respond to the letter even if the address on their records is the same as the one we have on our records.

Do not release Form Letter RL-697F to routing number 021053065. This routing number is used for International Direct Deposit and does not go to the payment recipient's foreign financial institution.

NOTE: The importance of keeping the RRB informed of the most current address cannot be overemphasized. The annuities of such persons can be suspended if mail delivered to the home address on record is returned as undeliverable. The handling of undeliverable mail is explained in [FOM-I-139](#).

Note: After you process a change of address for a foreign mailing recipient, send an email to the Direct Deposit Analyst so that the address in ITS.gov can be updated. Any inconsistencies in our records and ITS.gov will generate a referral that will be handled by the Direct Deposit Analyst.

C. Who Processes Changes - When an annuitant requests a change in the payment record, refer to this chart for proper processing.

RRB processing means field office or Headquarters initiated changes. NOC (Notification of Change) are mechanical changes created by the domestic financial institution and sent to the RRB through the Federal Reserve Bank. Foreign financial institutions will not be able to create mechanical changes that are submitted through the Federal Reserve Bank. Any notice of IDD change must be sent to the Direct Deposit Analyst for proper handling.

Processed By

<b>Changed information</b>	<b>RRB</b>	<b>NOC</b>	<b>What happens</b>
Annuitant's name	X		Direct Deposit information remains the same.  Refer an IDD name change to the Direct Deposit Analyst.
Annuitant's address	X		Direct Deposit information remains the same.  Refer an IDD address change to the Direct Deposit Analyst.

Representative Payee	X		Direct Deposit is deleted. Refer an IDD representative payee change to the Direct Deposit Analyst.
Account Title	X	X	A new enrollment is required. Refer an IDD representative payee change to the Direct Deposit Analyst.
Financial Institution	X	X	A new enrollment is required. Refer an IDD representative payee change to the Direct Deposit Analyst.
Routing Transit Number		X	These changes are processed automatically.
Depositor Account Number	X	X	Changes will be shown as changes of Direct Deposit information on DATA-Q Refer an IDD depositor account number change to the Direct Deposit Analyst.
Account Type	X	X	Changes will be shown as changes of Direct Deposit information on DATA-Q. Refer an IDD account type change to the Direct Deposit Analyst.

### 115.22.11 Answering Direct Deposit Inquiries

#### A. When There is Missing Information

In the event that missing or discrepant Direct Deposit information cannot be resolved by telephone, form letter RL-199 is used to return incomplete or incorrect requests for enrollment to the financial institution. Include your office's address and phone number in the spaces provided.

It is not necessary to control for the return of the enrollment request.

#### B. When an Annuitant Claims Non-Receipt

If you receive a claim of non-receipt for a Direct Deposit payment, refer to section [115.30](#), Reporting Non-Receipt in Direct Deposit cases.



## 115.23 Processing Direct Deposit Forms

Enrollment using the Form SF-1199A at a domestic financial institution or [Form OF 1199-I](#) at a foreign financial institution may be the preferred choice for some annuitants. The Direct Deposit sign-up form, Form SF-1199A, or [Form OF 1199-I](#), is used to authorize the Direct Deposit of payments into an annuitant's checking or savings account at a bank, savings and loan or credit union. The enrollment is processed by the Direct Deposit Analyst.

### 115.23.1 Review of the Enrollment Forms for Acceptability

The Form SF-1199A and [Form OF 1199-I](#) must be reviewed carefully before processing. Unacceptable forms will involve contact with the financial institution, the annuitant or the U.S. Embassy. When possible, resolve errors or omissions by phone. If you must return any of the forms to the financial institution or the annuitant, use Form Letter RL-199. In some cases, representative payee development may be in order prior to processing the Direct Deposit enrollment forms.

#### **A. Form SF-1199A – Domestic Direct Deposit Enrollment Request Form**

<u>Section 1</u>	Section 1 is completed by the payee.
Item A	<p><u>Name of Payee (last, first, middle initial).</u> The name of the annuitant or representative payee must be shown in this block.</p> <p><u>Address.</u> The payee's mailing address must be entered. If the ZIP code is missing, it can be entered from the National ZIP Code Directory or the RRB ZIP Code Master.</p> <p><u>Telephone Number.</u> This item does not have to be completed.</p>
Item B	<u>Name of Person Entitled to Payment.</u> The name of the annuitant should be entered here.
Item C	<p><u>Claim or Payroll ID Number.</u> The beneficiary symbol, prefix, claim number and payee code must appear in this block.</p> <ul style="list-style-type: none"> <li>• Beneficiary symbol or prefix missing - Check DATA-Q.</li> <li>• Claim number missing or impossible number – Check the Employment Data Maintenance (EDM) system.</li> <li>• Payee Code Missing - This item must be checked carefully. If the prefix is "A" enter "1" in the suffix space. <u>All other prefixes</u> must be checked against DATA-Q to verify the</li> </ul>



	<p>payee's name and payee code on the SF-1199A with the name and payee code on the master record. If an incorrect payee code is entered payment could be sent to the wrong person.</p>
Item D	<p><u>Type of Depositor Account</u>. If neither box is checked, contact the financial institution.</p>
Item E	<p><u>Depositor Account Number</u>. Check this item carefully. The entry may be all numerals, all letters, or a combination of both. Dashes (-) may be used as part of the number (i.e., 1234-5678), but other symbols such as slashes (/) or asterisks (*) are not acceptable. If a symbol other than a dash is used, contact the financial institution.</p> <p><u>Account number is annuitant's name</u>. Some financial institutions do not have depositor account numbers, but instead use names. If the depositor's name is used as his account number, insert dashes between the first name (or initial), middle initial and last name. If there is a period after an initial, edit it out. If the name, including dashes, exceeds 17 characters, contact the financial institution and attempt to resolve the problem.</p> <p>If a financial institution indicates that it does not use account numbers by showing "NAME" in the account number blank, enter the payee's name in the spaces as described above.</p> <p><u>Account number exceeds 17 characters</u>. A numerical account number, including dashes, cannot exceed 17 characters. If the account number, including spaces, exceeds 17 characters, edit out the spaces. If after editing out the spaces (do not edit out dashes), the number still exceeds 17, contact the financial institution.</p>
Item F	<p><u>Type of Payment</u>. If this item has not been completed and the payee is an RRB annuitant, do not return the form solely for the completion of this item.</p>
Item G	<p><u>This Box for Allotment of Payment Only</u>. This item does not apply to RRB annuitants and may be disregarded.</p> <p><u>Payment/Joint Payee Certification</u>. This space must be completed by the payee in his own handwriting.</p> <p>If the employee signs by a mark (X), two persons must witness the signature. A person holding power-of-attorney for the annuitant can witness the signature, <u>but cannot sign for the annuitant</u>. If the</p>

	<p>signature is missing or unacceptable, the Form SF-1199A must be returned to the financial institution.</p> <p><u>Joint Account Holder's Certification.</u> This item does not need to be completed.</p>
<u>Section 2</u>	<p>Section 2 can be completed by either the financial institution or the annuitant. Although this section should show the name and address of the RRB, it does not have to be completed. Do not return the SF-1199A solely because this item is incorrect or incomplete.</p>
<u>Section 3</u>	<p>Section 3 is completed by the financial institution. It should be reviewed to ensure that all items have been completed.</p> <p><u>Name and Address of Financial Institution.</u> If the name and address of the financial institution is missing, enter them from the return address shown on the envelope in which the form was received. If the envelope has been discarded <u>and</u> the form must be returned, the name and address of the financial institution can be taken from the Financial Organization Master File (FOMF). If the routing number is also missing, it may be obtained as explained in section <a href="#">115.20.7</a>.</p> <p><u>Routing Number and Check Digit.</u> Each box must have a number in it. If any box is not filled, refer to section <a href="#">115.20.7</a>.</p> <p><u>Depositor Account Title.</u> For annuitants enrolling who are also the payee, refer to section <a href="#">115.20.8</a>.</p> <p>If a representative payee is involved, refer to section <a href="#">115.20.9</a> for additional information.</p>

**B. Form OF 1199-I – International Direct Deposit Enrollment Request Form**

<u>Section A</u>	<b><u>Person to Receive Payment</u></b>
	<p><u>Name of Payee (last, first, middle initial)</u> - The name of the annuitant or representative payee must be shown in this block.</p> <p><u>Name of Person Entitled to Payment</u> - The name of the annuitant should be entered here, if different from the name of payee.</p> <p><u>Address</u> - The payee's mailing address must be entered.</p>

	<p><b>Note:</b> If the address does not match what is on DATAQ, it must be reconciled before submitting an enrollment request for processing. To qualify for IDD the payment recipient must live in a foreign country.</p> <p><u>Telephone Number</u> – The telephone number of the payment recipient is optional.</p> <p><u>RRB Claim Number or Bene SSN</u> - The beneficiary symbol, prefix, claim number and payee code must appear in this block.</p> <p><b>Note:</b> Verify the RRB claim number or beneficiary social security number to ensure the individual is a railroad retirement beneficiary.</p>
<p><b>Section B</b></p>	<p><b>Type of Payment</b> (check only one)</p>
	<p>Payment recipients are instructed to check one payment type. If the payment type is other than ‘RAILROAD RETIREMENT’ and we cannot verify the individual’s claim number, social security number, or name through our systems, prepare a RL-199 to return the enrollment request back to the individual.</p>
<p><b>Section C</b></p>	<p><b>Bank Information</b> (This section should be completed by a bank official.)</p>
	<p><u>Name of Bank:</u> The name of the financial institution where the account has been established.</p> <p><u>Bank Phone Number:</u> The telephone number provided in this line may not conform to our standard telephone number. In most cases, it may be necessary to contact the servicing American Embassy or Consulate for assistance rather than call the financial institution directly.</p> <p><u>Bank Address and Country:</u> The financial institution must reside in a foreign country. If the financial institution provides a domestic address, the request will be considered and processed as a domestic direct deposit set up through a correspondent bank.</p> <p><u>Bank Code:</u> The bank code is referred by countries by different names.</p> <p><u>Branch Code:</u> A series of numbers that is used to identify banks around the world.</p>

	<p><b>Account Number or IBAN:</b> International Bank Account Number is an international standard for identifying bank accounts across national borders.</p> <p><b>Account Title:</b> Individual or joint account. If a joint account, Section E must be signed by the other person on the account.</p> <p><b>Type of Account:</b> The type of account savings or checking.</p> <p><b>Type of Currency:</b> Canada is the only foreign country that provides account holders the option to set up a U.S dollar account and/or a Canadian dollar account. While most Canadian payment recipients have only one Canadian account, others will open up a US dollar account and a Canadian dollar account. It is important that the account number provided matches the currency type or the payment will be returned.</p> <p><b>Bank Official's Certification:</b> The signature of the financial institution official who completed the form.</p>
<b>Section D</b>	<b>Certification:</b> (The payment recipient must sign and date this section.)
<b>Section E</b>	<b>For Joint Account Holders:</b> If this is a joint account, all account holders must read the back of the form and sign and date this section.

### 115.23.2 Direct Deposit Form is Acceptable

If all sections of the SF-1199A are completed correctly, input the Direct Deposit information on FAST. Refer to [FOM-I-1570.26](#) for entry instructions.

If all sections of the [OF-1199-I](#) are completed correctly, send the form to the Direct Deposit Analyst in TCIS.

### 115.23.3 Direct Deposit Form is Not Acceptable

If review of the Direct Deposit enrollment forms indicates that an omission or error has been made that cannot be resolved as explained in section [115.20.7](#), it will be necessary to contact the financial institution, the annuitant, or the Direct Deposit Analyst in TCIU.

You may use the telephone to resolve minor matters, although some financial institutions will accept only written requests for information. Use Form Letter RL-199 when returning the Direct Deposit enrollment form to the financial institution. Refer to section [115.22.11](#) for guidelines on corresponding with financial institutions.

## **115.24 Automated Enrollments (ENR)**

Beginning September 20, 1996, railroad retirement beneficiaries and other recipients of Federal benefit payments (including railroad unemployment and sickness benefits) could enroll for Direct Deposit at their financial institution. The automated enrollment process (ENR) was developed by the Social Security Administration, the National Automated Clearing House Association (NACHA) and the Department of Treasury with input from the RRB. ENR simplifies and improves the Direct Deposit enrollment process.

ENR involves the financial institution electronically transmitting Direct Deposit enrollment information to the Federal agency through the Federal Reserve Bank (FRB) using the Automated Clearing House (ACH) network.

### **115.24.1 RRB Processing of the ENR File**

The RRB receives an ENR file from the FRB daily. This daily file contains the beneficiary's first and last name, social security number (SSN), representative payee code, bank routing number, check digit, account number, account type and a transaction code. An automated program "FAENR01" takes in the file and attempts to mechanically process the Direct Deposit enrollments. Enrollments that match on all identifying information are processed mechanically through a batch Change of Address (COA) process within the DAISY job stream. Annuitants who enroll using ENR will receive an RL-79E letter confirming that the RRB has processed their enrollment. If the program cannot match the enrollment information to an annuitant on our records, the enrollment is returned to FRB. A Universal STAR (USTAR) referral is created for enrollments that match based on SSN or claim number, but do not match on the other identifying information. Additional information about the ENR process is available in the Treasury's Green Book.

### **115.24.2 ENR Referrals**

The Automated ENR process produces USTAR referrals for enrollment records that require manual handling. These referrals are handled by staff in the Unemployment and Programs Support Division's (UPSD). The identifying information from the ENR file is copied to the 'Source Remarks' section of the USTAR referral along with a referral reason. Below is a sample of the USTAR referral.

OP	PSD	BTRENR	?	07/08/2013		
This record is currently OPEN. It may be closed out if applicable.						
Disposition Handling			Auth 1 Handling		Auth 2 Handling	
Folderless		Auth Needed	No	Auth1 Req	NO	Auth2 Req
Disposition		Exam Cmpl Dt		Correct?		Correct?
Payment		Closed By		Auth'd By		Auth'd By
Primary Record		Unit Cmpl Dt		Auth Dt		Auth Dt
Extension Request		Assign/Change AssignTo		Assign/Change Auth 1		Assign/Change Auth 2
Extension Info	Sub-Unit		Auth 1 Req	No	Auth 2 Req	No
Extension History	Assigned To		Auth Name		Auth Name	
	Assign Dt		Auth Assign Dt		Auth Assign Dt	
	Due Dt		Auth Due Dt		Auth Due Dt	
	Orig Due Dt		Orig Assign Dt		Orig Assign Dt	
	Assigned By		Auth_Return Dt		Auth Return Dt	
RECON Review		Reconsideration Info		Correspondence Info		Referral Info
Final Review (Click YES or No)	Filing Date		RRB Receipt Date		Referred To	
	Unit Receipt Date		Unit Receipt Date		Referral Date	
<input checked="" type="radio"/> Yes <input type="radio"/> No	Ack Date		Ack Letter Date		Return Date	
	Priority Handling	-	Ack Letter Ref'd	-	Referral Reason	
RECON Disability Code Reason						
Show/Hide Remarks					Referral History	
Date/Time: 8/5/2013 7:45:39 AM Your Access Level: 2 Record No. 2715625 Your ACCESS LEVEL determines your permission to Enter/Modify data by clicking on one of the Buttons/Hyperlinks. (If a button is DISABLED, you do not have access to Enter/Modify data.)						
Source Remarks						
PAYEE# [REDACTED]   MULTIPLE ACTIVE PAYMENTS   RAILROAD RET BD REP PC: 0   ACCT TYPE: C   RTN#: [REDACTED]   CHKDIG: 5   ACCT#: [REDACTED]						

### 115.24.3 UPSD Handling of ENR Referrals

A description of the referrals and the actions to be taken by UPSD are as follows:

#### DUAL-BENEFICIARIES

This referral message is generated if a beneficiary is receiving payments under more than one claim number. UPSD will release and image an RL-79D letter to the beneficiary to determine whether the change should apply to both records. UPSD will close the referral using the 'HANDLED' disposition code and notate the remarks section to indicate a letter was released.

#### MULTIPLE-ACTIVE-PAYMT

This referral message is generated if a beneficiary is receiving multiple payments under the same claim number. UPSD will release and image an RL 79D letter to the beneficiary to determine whether the change should apply to both records. UPSD will close the referral using the 'HANDLED' disposition code and notate the remarks section to indicate a letter was released.

#### MULTIPLE-ACTIVE-ADDRS

This referral message is generated if PREH shows multiple active address records (3273 screen) for the beneficiary. UPSD will identify the correct record, process the enrollment, and close the referral with the 'HANDLED' disposition code. These cases should be rare and indicate an error in PREH information. Notify Policy and Systems by email if you encounter this referral.

#### REP-PAYEE-C-MISMATCH

This referral message is generated if there is a discrepancy with the representative payee code. UPSD will refer the case to the field office servicing the address on record and close the referral with the 'HANDLED' disposition code. UPSD will also notate the remarks section that the case was referred to the field office for handling.

#### NAME-MISMATCH

This referral message is generated if the name on the enrollment does not match the name on our records. UPSD will release and image an RL-79D letter to the beneficiary to determine if the enrollment was requested. UPSD will close the referral with the 'HANDLED' disposition code and notate in the remarks section that a letter was released.

#### SSN-N-EDM-UNKWN-PREH

This referral message is generated if the social security number is in EDM but not PREH. These cases are possible UI\SI Direct Deposit enrollments. UPSD will check UPC for an active UI\SI record. If there is an active record, UPSD will process the enrollment and close the referral with the 'HANDLED' disposition code. If there is a UI\SI record but it is not active, UPSD will release and image an RL-79D letter and close the referral with the 'HANDLED' disposition code. UPSD will notate in remarks section that a letter was released. If there is no UI\SI record, UPSD will not process the enrollment. UPSD will close the referral with the 'NO ACTION NECESSARY' disposition code and notate in the remarks section that we are not paying any benefits.

#### SUSPENDED-PAY-STAT

This referral message is generated if an enrollment is received and the benefit is in suspense. UPSD will process the enrollment if the suspension code is 35, 36, 66, 67, 69, 88, or 98 and close the referral with the 'HANDLED' disposition code. For all other suspension codes, UPSD will refer the Direct Deposit information to the servicing field office and close the referral with the 'HANDLED' disposition code, notating in the remarks section that the case was referred to the field office for handling.

#### FAST-COA-TRAN-PEND

This referral message is generated if a FAST-COA transaction is pending. UPSD will refer the case to the servicing field office if the Direct Deposit information is different from the information pending on FAST. UPSD will close the referral with the

'HANDLED' disposition code with a notation in the remarks section that the case was referred to the field office. If the incoming Direct Deposit information is the same as the information already pending in the FAST-COA transaction, UPSD will close the referral with the 'NO ACTION NECESSARY' disposition code with a notation in the remarks section that the enrollment information has already been received. If the pending transaction is a change of address only, UPSD will modify the pending transaction with a code 'B' to add the Direct Deposit information and close the referral with the 'HANDLED' disposition code.

#### FAST-ST-TRAN-PEND

This referral message is generated if a FAST Suspension\Termination (S\T) transaction is pending. UPSD will refer to the above instructions for handling suspended cases if the pending transaction is a suspension. If the pending transaction is a termination (see [RCM 9.7.14](#) for a list of S\T codes), UPSD will not process the enrollment and close the referral with the 'NO ACTION NECESSARY' disposition code, notating in the remarks section that the record is terminated.

#### FAST COA-AND-ST-TRAN-PEND

This referral message is generated if FAST-COA and S\T transactions are pending. If the pending S\T transaction is a termination, UPSD will not process the enrollment and close the referral with the 'NO ACTION NECESSARY' disposition code, notating in the remarks section that the record is terminated.

If the pending S\T transaction is a suspension and the suspension code is 35, 36, 66, 67, 69, 88, or 98 UPSD will follow the above instructions for handling FAST COA pending referrals. If the pending transaction is a suspension with any other suspension code, UPSD will refer the Direct Deposit information to the servicing field office and close the referral with the 'HANDLED' disposition code, notating in the remarks section that the case was referred to the field office for handling.

#### CLAIM-NBR-WITHOUT-PC

This referral message is generated if an enrollment is received with a claim number but no payee code. UPSD will determine the correct beneficiary record, process the enrollment, and close the referral with the 'HANDLED' disposition code.

#### PREH-DATAQ-MISMATCH

This referral message is generated if there is different information on PREH and DATAQ for the beneficiary, usually when multiple records are paid under both an "A" and "D" prefix. UPSD will determine the correct beneficiary record, process the enrollment, and close the referral with the 'HANDLED' disposition code. These cases should be rare and indicate an error on PREH or DATAQ.

#### DUP-DATAQ-FOR-CLM-PC



This referral message is generated if there are duplicate DATAQ records for the claim number and payee code. UPSD will determine which record the Direct Deposit should be entered, process the enrollment, and close the referral with the 'HANDLED' disposition code. These cases should be rare and indicate an error on DATAQ. Notify Policy and Systems by email if you encounter this referral.

#### FRAUD-WATCH

This referral message is generated when there have been previous fraudulent attempts to change the beneficiary's Direct Deposit information. UPSD will release and image an RL-79D letter to the beneficiary to verify the enrollment was authorized. UPSD will close the referral with the 'HANDLED' disposition code and notate in the remarks section that a letter was released.

#### SSN NOT ON RECORD

This referral message is generated when an enrollment is received for a valid claim number but there is no SSN on our records for the beneficiary. The ENR program is unable to check for fraud alerts on these records. UPSD will check the Contact Log for any fraud alerts. If there are no fraud alerts, UPSD will process the enrollment and close the referral with the 'HANDLED' disposition code. If there is a fraud alert on the record, UPSD will release and image an RL 79D letter to the beneficiary and close the referral with the 'HANDLED' disposition code, notating in the remarks section that a letter was released.

#### IDD ENR

This referral message is generated when an International Direct Deposit enrollment is received. UPSD will determine if the enrollment has been entered on FAST; if yes, UPSD will close the referral with the 'NO ACTION NECESSARY' disposition code. If the enrollment has not been entered, UPSD will process a FAST-COA and close the referral with the 'HANDLED' disposition code.

#### BLOCKED RTN

This referral message is generated when an enrollment is received with a routing number that has been associated with multiple fraud cases. UPSD will release and image an RL-79D letter to the beneficiary to verify the enrollment was authorized. UPSD will close the referral with the 'HANDLED' disposition code and notate in the remarks section that a letter was released.

### **115.24.4 Field Office Handling of Direct Deposit Fraud Cases**

A checkbox "D\D Fraud" has been added to the Contact Log to identify beneficiaries that have had fraudulent attempts to change their Direct Deposit (DD) information. The field offices will check this box when notified by the beneficiary that an unauthorized change was made to their account or, if the field office intercepts an attempt to change

an annuitant's Direct Deposit information. Once the checkbox has been checked, the ENR program will not process any enrollments for that SSN until the check has been removed. Refer to [FOM1 1592](#) for instructions on accessing and updating the Contact Log.

If the unauthorized change to the DD information causes the annuitant's payment to be misdirected, take the following actions:

- Immediately notify the Direct Deposit Analyst (DDA) in UPSD, via telephone at (312) 751-4704, regarding the details of the case. Always follow up the telephone request in writing, via email, to [TCIS-CSU Group@rrb.gov](mailto:TCIS-CSU Group@rrb.gov).
- Release [Form Letter RL-77A](#) (Reissuing EFT Payments Due to Fraud) to the annuitant for completion, in the event funds are not recovered from the erroneous account. The letter is available on RRAILS. Control for the return of the letter, and image when received.

### 115.24.5 UPSD Handling of Direct Deposit Fraud Cases

EFT payment recoveries are required when changes to Direct Deposit (DD) account information, based on confirmed/suspected fraud, result in non-receipt of funds by the annuitant. Through the Treasury Check Information System (TCIS), an automated R06 recovery request can be sent to Treasury to start an investigation with the financial institution (FI), and expedite the return of any payments affected by the fraud.

**NOTE:** R06 requests do not apply to payments issued to a closed account of an annuitant after they have opened a new one. In this situation, the FI is required to return the funds to Treasury. Upon receipt of the funds, Treasury will credit the agency. The payment will post to PAYBACK with a code 91 (account closed). Action to reissue the payment to the new account can then occur. If the payment is not returned, advise the annuitant to contact the FI to arrange receipt of the funds.

The R06 program is accessible via the Dashboard option of the TCIS application for DDAs and designated HQ personnel. Users select the "Recovery Requests" tab, enter the payee ID and date range of the affected payment and choose the appropriate R06 stop code to recover the funds and/or the account holder information. Once the request is submitted, it is assigned to a Treasury specialist to expedite the return of the funds.

The R06 automated request eliminates manual letter preparation, faxing the requests, and delays in handling. This process does not guarantee the return of funds. Success largely depends on the timing of when the payment is released to the FI, and when the FI is notified.

Based on the information provided by the field office, the DDA will review the case to determine if the payment was misdirected, or whether fraud actually occurred. Based on the investigation, the DDA will enter one of the following recovery stops in TCIS:

- ‘R - Recovery Request’ – The ‘R’ stop instructs Treasury to recover the payment from the account on record. Account holder information is automatically provided with this request type.
- ‘O - Obtain Account Owner Information’ – The ‘O’ stop instructs Treasury to confirm and/or obtain account owner information. Recovery of the payment is not automatic but can be requested using a check box option, if the account holder information differs from that of the annuitant.

Payment trace follow-up actions with the FI are handled by Treasury. DDAs will contact Treasury when a response to the initial inquiry is not received within three business days. If no response or status is received within 7 days, RRB will complete the process to make the annuitant whole.

**Payment Disposition Actions**

The chart below provides the handling actions for payments based on the disposition and results of the R06 process:

Recovery Case Type	Treasury Response	Required Action
Fraud (Confirmed/Suspected)	Payment Returned (Fully/Partially)	<ul style="list-style-type: none"> <li>• DDAs will confirm receipt of Form Letter RL-77A.</li> <li>• DDAs will check PAYBACK to confirm agency credit of the returned payment.</li> <li>• <u>Payment fully returned and annuity suspended:</u>  <b>Code 98:</b> DDAs will mechanically reinstate the record, and reissue the payment using FAST-COA.</li> </ul>

		<p><b>Code 06:</b> DDAs will contact the customer service section of the Retirement/Survivor Benefits Division (RSBD) for expedited handling to reinstate the benefit and reissue the payment.</p> <ul style="list-style-type: none"> <li>• <u>Payment partially returned:</u></li> </ul> <p>Partial payments will not be on PAYBACK. The financial institution will issue a check to Treasury. Treasury will transfer the funds to the RRB via the Intra-governmental Payment and Collection system (IPAC). The DDAs will obtain a copy of the IPAC credit from BFO, and image the documentation.</p> <p>DDAs will contact the customer service section in the Retirement/Survivor Benefits Division (RSBD) for expedited handling to reinstate the record, if needed, and reissue the returned partial payment, and remaining balance, to make the annuitant whole.</p>
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		<ul style="list-style-type: none"> <li>• DDAs will refer the case to the Office of Inspector General.</li> </ul>
Fraud (Confirmed/Suspected)	Payment Not Returned	<ul style="list-style-type: none"> <li>• DDAs will confirm receipt of Form RL-77A.</li> <li>• DDAs will contact the customer service section in RSBD to expedite handling and reissue a replacement payment to make the annuitant whole.</li> <li>• DDAs will refer the case to the Office of Inspector General.</li> </ul>
Misdirected (Account holder is a RR annuitant)	Payment Returned (Posted on PAYBACK)	<ul style="list-style-type: none"> <li>• If the payment is returned code 92, field offices will process a change code 2 to have the payment mechanically reissued and the annuity reinstated.</li> <li>• If the payment is returned code 06, DDAs will refer the case to RSBD to manually reissue the payment and reinstate the annuity.</li> </ul>
Misdirected (Account holder is a RR annuitant)	Payment Not Returned Or Partially Returned	<ul style="list-style-type: none"> <li>• DDAs will contact the customer service section in RSBD to expedite handling and issue a replacement payment to make the annuitant whole.</li> </ul>

		<ul style="list-style-type: none"> <li>• RSBD will initiate overpayment recovery action against the annuitant, whose account was credited in error. See <a href="#">section 115.22.6</a>.</li> </ul>
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## 115.25 Return of Checks/Payments

### 115.25.1 Individual Checks

If an individual reports the receipt or possession of a Treasury issued check in the name of a deceased person, or a Treasury issued check in the name of a person who is not entitled for any reason to payment for the month covered by the check, and the check was issued within the last year, instruct the individual to make and retain a record of the check number, date, amount, and payee designation; and to return the check promptly to the Department of the Treasury, Philadelphia Financial Center, P.O. Box 51319, Philadelphia, PA, 19115-6319, with a note giving the reason for its return. If the check is more than a year old, see section [115.50.15](#).

If the check is brought to the field office, accept and forward the check to Treasury. If the individual requests a receipt, prepare Form G-27. See [FOM-I-1720](#) for completion instructions. Enter on the face of the returned check, beneath the "pay to the order of" caption next to the Statue of Liberty emblem, information as follows and in the order shown here:

1. Reason for return (use the minimum number of words, e.g., "Died", "Emp. Serv.", "Working", "Remarried", etc.)
2. Month and year of the event.
3. Field office identification number.

EXAMPLE:   Died  
                  12-90  
                  409

In addition, invalidate the check by imprinting the legend: "Not Negotiable For Payment and Credit in Treasurer's Account" on the check. Place this legend above the MICR line and over the disbursing officer's signature, but do not obscure the name of the payee, the amount of the check, the account number, or the coded area of the check. Treasury

will cancel the payment and forward the credit to the RRB. The cancellation credit will appear on PAYBACK. If after a reasonable amount of time the cancellation credit does not appear on PAYBACK, notify the Bureau of Fiscal Operations-Debt Recovery Division to place a stop payment against the check.

If the annuitant is deceased, process an APPLE First Notice of Death (FNOD) transaction to stop the beneficiary's payments and to document the return of the payment in the remarks section of the FNOD screen.

Complete a FAST-Suspension/Termination transaction to stop payments in cases involving non-death terminations. Refer to [FOM-I-1565.25.2](#) for a list of termination/suspension codes that can be processed by field offices. Notify the appropriate unit in headquarters of the pending suspension/termination transaction. Headquarters must be notified because there may be additional actions to be taken on the case. Headquarters must also be notified when field personnel cannot process the suspension/termination transaction.

Do not under any circumstances advise an individual to endorse a check issued in the name of a deceased person. Even in a representative payee case, the payee has no right to the proceeds of a check after the death of the beneficiary.

Take the following action when it is too late to stop release of the next check or if there are outstanding non-negotiable check(s):

1. Instruct the informant to return any check(s) on hand and any checks that might be received in the future to Treasury. See the instructions in this section.
2. Document in the "Remarks" on the APPLE FNOD screen information or instructions that were given concerning any outstanding checks, e.g. "Widow states she returned 12-1-90 check", or "Son was advised to return 2-1-91 check".

### **115.25.2 Combined RR/SS Benefits**

If a payee reports a disqualifying event that affects the RR benefit but not the SS benefit, or vice versa, inform the payee that the combined check may be negotiated, but the amount of the not-due benefit must be refunded by a check or money order made payable to the RRB. Instruct the payee to forward the refund either to headquarters or the field office. Make sure all refunds are identified with the claim number on the check.

**Note:** If an event occurs which terminates a beneficiary's entitlement to a railroad retirement annuity, responsibility for the payment of the social security benefit may have to be returned to SSA. If the beneficiary is not entitled to HIB/SMIB, RRB will pay the SS benefit for 3 months after RRB notifies SSA of the transfer of jurisdiction. If the beneficiary is entitled to HIB/SMIB, the SS benefit will be stopped as soon as possible.

### 115.25.3 Misrouted Checks

When a payee reports that a check for another person was included with their check in the same envelope, take the following action:

- A. Request the payee to return the misrouted check to the field office.
- B. Telephone the supervisor in P&S-PAS immediately and furnish the names and addresses of the payees, RRB claim numbers, and the amount and date of each check. Summarize your telephone conversation and document contact information in the Contact Log.
- C. Process a non-receipt "C" stop request for each payee and notify them of the delay.
- D. Shred the misrouted checks when they are received. There is no need to send Headquarters any documentation unless specifically requested.

### 115.25.4 Checks Returned As "Code 98" - Undeliverable Due to Incorrect Address

When a check is returned to the RRB as "undeliverable," the action causes benefits to be suspended, and a suspension code of "98" to be entered on the Checkwriting Master. This provides for the re-batching of the returned check, and mechanical reinstatement of recurring payments once a subsequent change of address or direct deposit enrollment is processed.

Note: Only a change code of 2, 3, 4, 5 or B will cause a mechanical reinstatement. Refer to FOM-I-1570.25.4 for more details on reinstating code 98 undeliverable suspensions.

Exception: Processing a change of address transaction to reissue a payment that was offset under the Treasury Offset Program (TOP) (see [FOM-1-1245.35](#)) and returned code 98 will not reissue the payment. Returned payments that have been offset by TOP require additional manual handling by Headquarters, as the payment amount will not match the amount shown in the Checkwriting Master file to initiate a suspension or termination transaction.

Example:

The debtor's original benefit payment amount as shown in the Checkwriting Master file is \$1350 (tier 1 benefits of \$1150 and tier 2 benefits of \$200). The TOP offset amount is \$172.50. The amount of the payment sent to the debtor's is \$1177.50 (\$1350.00 minus \$172.50). The \$1177.50 payment is returned as undeliverable (code 98). Because the amount of the payment does not equal the rate shown in the Checkwriting Master file, the annuity did not suspend. The payment must be manually reissued. Verify the address and contact the retirement or survivor Customer Service Group to have the payment reissued.



**Note: When a benefit goes into a code 98 status for a period of 30 days but less than 60 days, a USTAR referral is generated and assigned to the servicing field office for investigation. Refer to section [115.25.9](#) for case handling instructions.**

### **115.25.5 Uncashed Checks**

A check may be cashed up to 1 year after it is issued. After 1 year, the check must be returned and a new check will be issued if the payment is still due the payee. Return all checks that are a year or older to UPSD-TCIU. Do not send these checks to Treasury because it will only delay the reissuance of a new check.

If checks issued prior to death are located and reported after an annuitant's death, instruct the caller to return the checks and develop an application for annuities due but unpaid at death, if appropriate.

See section [115.50](#) for information about the investigation of uncashed checks and the return of checks that are at least a year old.

### **115.25.6 Duplicate Payment Received (Original and Replacement Checks)**

At times, an annuitant reports non-receipt of payment, a replacement is issued and the original check is then received, causing duplicate payment for the month.

If the annuitant returns one of the checks to the field office, route the check to UPSD-TCIU in a plain white envelope. Indicate why the check is being returned. This will reduce the chance of the annuity being erroneously suspended. If the annuitant is to return the check directly to headquarters, instruct the annuitant to send it to the attention of UPSD-TCIU.

### **115.25.7 Damaged or Mutilated Checks**

Process a non-receipt claim if an annuitant reports that a check has been damaged or mutilated, and cannot be cashed, or if the check was totally destroyed. If the check was damaged or mutilated, instruct the annuitant to return the check to the field office. Upon receipt of the check, shred it. Unless otherwise requested, it is not necessary to return the check to Headquarters.

### **115.25.8 Returned EFT Payments: Code 91/92**

Codes 91 and 92 can only be used when an EFT payment is returned to Treasury by a financial institution. Code 91 means that the account is closed, and code 92 means that there is no such account number. To ensure that the returned payment is reinstated, process a COA as described in [FOM-I 1570.25.4](#) after the case defaults to code 98status on DATAQ.

**Note: When a benefit goes into a code 98 status for a period of 30 days but less than 60 days, a USTAR referral is generated and assigned to the servicing field office for investigation. Refer to section [115.25.9](#) for case handling instructions.**

1. DAISY Processing of Code 91 and 92 Payments. Prior to November 1993, payments returned as code 91 or 92 were automatically reissued to the home address. DAISY processing has been modified, however, to compare the payment date with the Electronic Funds Transfer (EFT) change date, and if necessary, the change of address date (COA), prior to reissuing payments. The following describes current DAISY processing. (Note: Date is defined as month/year; the day is not considered in this process by DAISY.)
  - If the payment date is earlier than the latest EFT change date, the payment will be released to the current financial institution account.
  - If the payment date is the same or later than the EFT change date, DAISY will then compare the payment date to the latest COA date.
  - If the payment date is earlier than the COA date, DAISY will delete the direct deposit information from the payment master file and DATA-Q, and reissue the payment to the home address.
  - If the payment date is the same or later than the COA date, DAISY will delete the direct deposit account and routing information and generate a letter (RL-87C) to the home address with a copy to the field office.
  - Process the returned payment as a code 98 (refer to [RCM 9.7.163](#) /[FOM-I 1570.25.4](#)), allowing reissuance by input of a change of address using change code 2, 4 or 5 or a new direct deposit enrollment with a change of address using change code B. No additional payments will be issued until a change of address is processed.
  - Exception: Processing a change of address transaction to reissue a payment that was offset under TOP (see [FOM1-1245.35](#)) and returned code 98 will not reissue the payment. Returned payments that have been offset by TOP require additional manual handling by Headquarters, as the payment amount will not match the amount shown in Checkwriting Master file to initiate a suspension or termination transaction.
  - Example: The debtor's original benefit payment amount as shown in the Checkwriting Master file is \$1350 (tier 1 benefits of \$1150 and tier 2 benefits of \$200). The TOP offset amount is \$172.50. The amount of the payment sent to the debtor's is \$1177.50 (\$1350.00 minus \$172.50). The \$1177.50 payment is returned as undeliverable (code 98). Because the amount of the payment does not equal the rate shown in the Checkwriting Master file, the annuity did not suspend.

- The payment must be manually reissued. Verify the Direct Deposit information and contact the retirement or survivor Customer Service Group to have the payment reissued.
- If the annuitant was enrolled in IDD and there is no change to the Direct Deposit entries in ITS.gov, you can re-enter the RTN and account information; which can be found in PREH on the 3273 screen. The RTN for all IDD payments is **021053065**. The bank account number for all IDD enrollments is a 14-character long payee's identification number. This number must be typed exactly in the following format:

Employee annuitant – 123456789\_\_A1 (three spaces between the claim number and prefix)

Spouse annuitant – 123456789\_\_MA2 (two spaces between the claim number and beneficiary symbol)

Widow(er) annuitant - 123456789\_\_WA1 (two spaces between the claim number and beneficiary symbol)

Survivor annuitant – 123456789\_WCA2 (One space between the claim number and beneficiary symbol)

The best way to ensure the payee's identification number is correctly typed is to copy the bank account number value from the 3273 screen and paste it on the first position of the account number field in the Direct Deposit Entry Screen.

- If the annuitant was enrolled in IDD and the foreign bank account information has been changed, forward the reinstatement request to the Direct Deposit Analyst.
2. Verification of the Annuitant's Address - Form RL-87C is released to the home address under the conditions described above. This form is designed primarily to secure verification of the annuitant's address. The notice has a detachable bottom portion which is returned by the annuitant to the field office. (See [RL-87C](#))
  3. Actions by Field Office Upon Receipt of the RL-87C Letter. – If the detachable portion of the [RL-87C](#) is returned within 30 days with the correct address and is signed by the annuitant, the field office is to input the COA via FAST according to procedure in [FOM-I-1572.25.4](#). If the annuitant telephones or writes the field office with new direct deposit (DD) information, the field office is to enter the data via FAST.

**Note:** To reinstate a code 98 suspension to a DD account, enter a change code "B" (Add Direct Deposit and Change Home Address) on the FAST-DIRECT DEPOSIT

ENTRY SCREEN. A change code "A" (Add Direct Deposit Information Only) will not activate the code 98 reinstatement process.

Forward all IDD reinstate code 98 suspension requests to the Direct Deposit Analyst. The Direct Deposit Analyst will process the FAST-COA and also correct direct deposit entries on ITS.gov.

4. Actions by Headquarters Personnel if [RL-87C](#) is Mailed to Headquarters. - If the bottom portion of the RL-87C is inadvertently mailed to headquarters, the claims examiner will review the RL-87C for completeness and input the COA according to procedure in [RCM 9.7.163](#). The claims examiner will document the Contact Log of actions taken.

### **115.25.9 Benefit Suspended Code 98 Over 30 Days**

When a benefit is in a code 98 status for a period of 30 days but less than 60 days, a USTAR referral is generated and assigned to the servicing field office for investigation. Field offices should use the Code 98 referrals to begin address or direct deposit verification early in the process, and before the case defaults to code 97 status after 90 days. Relatively few of these cases must be investigated because the annuitant will usually have contacted either the field office or headquarters claiming non-receipt before the correct address is obtained and entered into our records. The time lapse between entry of this information and receipt of a replacement check is largely determined by when we receive and enter this information in relation to our reinstatement cut-off for that month.

If the case has a Canadian address, it will be routed to the appropriate field office based on the first character of the postal code of the city/province. If the case has a Mexican address, it will be routed based on the state/territory. The Houston Field Office will receive the case by default if the Mexican state/territory is not clearly identifiable. The case can be reassigned, if needed. All other foreign cases and cases with incorrect zip codes will be routed to the Chicago Field Office for handling or reassignment to the proper field office. If DATAQ indicates the case is in code 97 status a manual reinstatement will be required. Contact SBD or RBD, as appropriate.

### **115.25.10 Description of Code 98 USTAR Referrals**

The Code 98 USTAR referral is comprised of the three digit field office number and the category indicator of "C98" (i.e. 296C98). The referral contains an initial screen containing identifying information and a remarks screen with detailed case information.

The initial screen of the referral contains the following information:

- Claim number and payee code
- Category Code (preceded by field office number)

- Date of the Code 98 Report file

The remarks screen of the referral contains the following case information:

- Last change of address date
- RR and/or SS suspension/termination status date
- Current name and mailing address
- Processing date of the payment
- Last date of code 98 mechanical reinstatement before code 97 status occurs

### **115.25.11 Field Office Handling of Code 98 USTAR Referrals**

A USTAR referral will be created each time the monthly file is generated and the case remains in code 98 status. The case should be investigated for a change of address or direct deposit verification. While the investigation is being conducted, the case should remain open on USTAR. Based on the investigation results the field office will take the following action:

#### **1. Change of address or direct deposit information is received**

If an address or direct deposit change information is received, process the payment reinstatement using FAST-COA code “2”, “4”, “5” or “B”. Code 98 mechanical processing allows payment reissuance by input of a change of address using change code 2, 4 or 5, or a new direct deposit enrollment using change code B. Close the USTAR referral using the disposition code, “Handled-HND”. For additional information on code 98 mechanical processing, refer to [FOM-1 1570.25.4](#).

#### **2. Change of address or direct deposit information was previously received**

If an address or direct deposit change was previously received and the payment has been reissued, no additional action is required. Close the USTAR referral using the disposition code, “NAN-No action necessary”. If the address or direct deposit was changed but the payment has not been reissued, contact RBD/SBD for manual award handling to reissue the payment.

#### **3. Change of address or direct deposit information not received**

If an address or direct deposit information has not been received, pend the case for additional development. Once the change information is received, process the payment reinstatement using FAST-COA code “2”, “4”, “5” or “B”. If the status of the case changes to code 97 before the information is received, send an email to SBD or RBD asking them to reinstate the benefits and, reissue the returned payment and any subsequent payments. If the information is not received and the case is in code 97

status, notate your action in the remarks section of the USTAR referral and close it out using the disposition code, "Handled-HND". If applicable, notate the Contact Log with your investigative efforts.

### **115.25.12 Code 98 USTAR Referrals - International Direct Deposit (IDD) and Direct Express cases**

All code 98 USTAR referrals that involve International Direct Deposit (IDD) and require reinstatement should be forwarded to the Direct Deposit Analyst. Close out the USTAR referral using the disposition code, "Handled-HND", and notate your actions in the Remarks section. The Direct Deposit Analyst will process the FAST-COA and also correct direct deposit entries on ITS.gov. If the case involves, Direct Express, the field office will verify the mailing address and process the payment reinstatement to the home address using FAST-COA code "2". If the annuitant chooses to continue using Direct Express, a new enrollment will have to be processed.

### **115.25.13 Code 98 USTAR Referrals – Possible Representative Payee Development**

If investigation of the code 98 USTAR referral results in possible rep-payee development, suspend the benefit using FAST S/T. When suspending the benefit, use code 63 for employee annuitants, code 64 for spouse annuitants, and code 65 for survivor annuitants. The effective date of the code 63, 64, or 65 suspension entered on FAST S/T must be prior to the effective date of the code 98/97 in order to process this change. If SS benefits are involved, then contact RBD or SBD to request suspension of these benefits. Notate your actions in the remarks section of the USTAR referral, and close it out using the disposition code, "Handled-HND". If applicable, notate the Contact Log with your investigative efforts.

Note: When closing cases on USTAR check for multiple referrals that exist for the same payment. Close all related referrals once the case has been completed.

### **115.25.14 Code 98 USTAR Referrals - Unable to Locate Annuitant**

If you are unable to locate the annuitant, refer to [FOM-1-139.40](#), [FOM-1-139.45](#), and [FOM-1-139.50](#) for additional actions to take.

### **115.30 Handling Reports of Non-Receipt of RRA Direct Deposit Payments and Checks, and Destroyed, Lost, Stolen, or Misrouted Checks**

Whenever the annuitant reports non-receipt of a Railroad Retirement Act (RRA) benefit check or Direct Deposit (DD) payment, check DATA-Q, FAST S/T, PREH, PACER, or the Treasury Check Information System (TCIS) to verify the payment status.

- A. Benefits Suspended or Terminated - If a suspension or termination exists, ask the annuitant if they know any reason why the payments may have been suspended or terminated. Check your files and/or the imaging system for a copy of a suspension or termination letter that may have been sent to the annuitant. If the annuity was suspended, advise the annuitant when to expect reinstatement. If the annuity was erroneously suspended or terminated, notify the Retirement Benefits Division (RBD) or the Survivor Benefits Division (SBD), as appropriate.
- B. Benefits In Force - If there is an indication that the check or DD payment was issued, access PAYBACK to determine whether or not the check or DD payment was returned.

1. Check Cases

- a. Check Appears On PAYBACK - If the check appears on PAYBACK and the return reason code is other than 98, contact RBD or SBD to arrange for the check to be reissued. If the return reason code is 98, process a change of address even if the address on record is correct. This will cause the check to be reissued. When the annuitant wants to also enroll in Direct Deposit, a code "B" change of address/enrollment must be used to reinstate benefits.

NOTE: Payments that were offset due to TOP and are returned code 98 will not suspend the annuity nor will processing a change of address transaction reissue the payment. This is because the amount of the returned payment will not match the payment rate shown in the Checkwriting Master file. After verifying the address, contact the RBD or SBD to have the payment reissued. See [FOM1-1245.35](#) for more information on TOP.

**IMPORTANT**: If a replacement check is returned code 98 and the annuitant is not entitled to the payment, contact RBD or SBD. Benefits must again be suspended with a miscellaneous code (to override the code 98 suspension) and then reinstated. **Do not** process a change of address. Doing so will cause the replacement check to be reissued and the annuity to be overpaid.

- b. Check Does Not Appear On PAYBACK - If the check does not appear on PAYBACK, follow the guidelines in section [115.30.1](#) and check the payment status on PACER to determine what non-receipt action is required for processing the claim.

NOTE: If the annuitant reports non-receipt of a payment before delivery of their mail on the seventh day of the month, explain to the annuitant that most payments which are not delivered on the expected delivery day are delayed in the mail and are usually delivered by the seventh day of the



month. Instruct the annuitant to wait until they receive mail on the seventh of the month before again contacting the field office.

## 2. Direct Deposit Cases

- a. Payment Appears On PAYBACK - If the payment appears on PAYBACK and the return reason code is 91 or 92, the payment will be reissued after confirmation of the address. Process a change of address even if the address on record is correct. When the annuitant wants to also enroll in Direct Deposit, a code "B" change of address/enrollment must be used to reinstate benefits. For return reason codes other than 91 or 92, contact RBD or SBD to request that the payment be reissued.

NOTE: Payments that were offset due to TOP (See [FOM1-1245.35](#)) and are returned code 98 will not suspend the annuity nor will processing a change of address transaction reissue the payment. This is because the amount of the returned payment will not match the payment rate shown in the Checkwriting Master file. After verifying the Direct Deposit information, contact RBD or SBD to have the payment reissued.

- b. Payment Does Not Appear On PAYBACK - If the payment does not appear on PAYBACK, follow the guidelines in section [115.30.1](#) and check the payment status on PACER or TCIS to determine what non-receipt action is required for processing the claim.

Note: If the status on PACER or TCIS indicates "EFT Payment Processed", this means that the payment was received by the FI. Provide the annuitant with the trace number and advise the annuitant to confirm non-receipt with the financial institution. Most financial institutions do not send deposit receipts in Direct Deposit cases.

### **115.30.1 Guidelines for Questioning Individual Reporting Non-Receipt**

Careful interviewing is necessary when an individual reports non-receipt of a payment. The questions asked may vary from case to case. However, they should be comprehensive enough to establish whether payments have been regularly received and whether the annuitant has any idea why the payment in question was not received. The responses to the questions will also determine what action, if any, needs to be taken. Questions may include:

- Has the annuitant been receiving payments regularly?
- Has the annuitant recently changed their address?
- have they reported the change of address?



- Was the address as printed on the check received last month the current address? The annuitant may have moved some time before and never reported the change of address. The Postal Service, after forwarding payments for a while, may have stopped forwarding the annuitant's mail.
- Has the annuitant been overpaid? Could the RRB be recovering an overpayment?
- Was the payment offset due to TOP (see [FOM1-1245.35](#))?
- Has an event causing termination or adjustment occurred? For example, has a child stopped attending school?
- Have they previously reported any event that would have caused the annuity to be reinstated or adjusted?
- Has the annuitant submitted a report to the RRB changing their estimate of earnings to a higher amount than previously reported?
- Have they recently received a notice from RRB that might explain why payment was delayed?
- It is possible that some family member may have deposited the payment for the annuitant? This aspect of the questioning should be handled tactfully, but is necessary since Treasury Department statistics show that in approximately 60 percent of the cases in which a payment was negotiated, the payment was negotiated either by the intended payee or someone on their behalf.
- Does the annuitant believe the payment may have been illegally cashed? If so, explain that a replacement check will not be issued until the claim FS Form 133 is completed and returned to Treasury.
- If payment was made by check and it was lost or stolen, was it endorsed by the annuitant prior to being lost or stolen? If so, was it restrictively endorsed, i.e., for deposit only to Bank of America on account of John Doe C1234567? If not, explain to the annuitant that if the check has already been cashed, Treasury will not issue a replacement check. In addition, if Treasury issues a replacement check and the original check is later cashed, the individual is liable for the overpayment since the original check bears the genuine endorsement of the annuitant.
- If payment was made by Direct Deposit, did the annuitant recently cancel Direct Deposit, change accounts, or change financial institutions?

Note: If the following has occurred:

- our records show that a change was recently made to the Direct Deposit information; or,
- the annuitant received an RL-79 series letter advising a change; and,
- the annuitant did not authorize that change.

These events indicate fraud may have occurred and require special handling. Refer to section [115.24.4](#) for additional instructions.

- Did the annuitant recently elect to have payments made by Direct Deposit, i.e. a new enrollment? Check for new information pending on FAST-COA. If necessary, re-enroll the annuitant on FAST.
- After verifying that the payment was made by EFT, ask the annuitant if they contacted the financial institution. If not, refer the annuitant to the financial institution.
- If the annuitant contacted the financial institution, did the financial institution confirm that the payment was not received? Confirmation would include verifying that the payment was not posted before or after the payment date, or to another account and, checking their payment and bookkeeping records and their rejected and returned payment records.

**Note:** Unless processing of the payment file was delayed (in which case field offices would be notified of the problem), it is highly unlikely that the financial institution did not receive the EFT payment on or before the payment date. Therefore, it is important for the financial institution to confirm that the payment was not received. A replacement payment will not be issued until the status of the original payment is ascertained and returned to the RRB.

- Proof of confirmation would include field office contact with the financial institution verifying the actions taken by the financial institution, or completion by the financial institution of Treasury's Non-receipt Claim for Direct Deposit Payments form, according to the instructions in the Green Book.

### **115.30.2 Field Office Processing of Non-Receipt Reports**

The field office is responsible for handling all routine non-receipt claims, i.e. the claim can be processed without additional information, instructions, or controls from headquarters. **Process the non-receipt claim when the annuitant is alive and entitled to the payment and :**

- The annuitant reports that a regular monthly Direct Deposit payment was not received on the payment date and the financial institution confirms non-receipt; or

- The annuitant reports that a regular monthly benefit check was not received **after** their mail was delivered on the 7th day of the month; or
- The annuitant reports that a regular monthly benefit check was lost or stolen **before** being endorsed; or
- The annuitant reports that a regular monthly benefit check was damaged, mutilated, or completely destroyed; and
- If a check, the check is less than one year old.
- Access FAST-PI ENTRY to process the claim. See [FOM-1-1573](#) for FAST-PIENTRY Instructions.

**IMPORTANT: In situations where there has been a change in payee, do not process a non-receipt claim against a payment that was issued to a former payee. Contact UPSD-TCIU for assistance.**

**NOTE:** If the annuitant or a representative for the annuitant reports non-receipt of a not-due payment, e.g. the payment was issued after death or loss of entitlement; contact the Bureau of Fiscal Operations-Debt Recovery Division (BFO-DRD) via Outlook at “DRD-BFO-Debt Recovery Division” or by telephone at x4630. Be sure to indicate that the payee was not entitled to the payment. Also, include the correct payee identification information, including full name. Indicate the exact payment date (month-year) and specify whether the claim is for a monthly or an accrual payment.

BFO-DRD will investigate the status of the payment and if necessary, initiate the appropriate reclamation action. Under no circumstances should you process a non-receipt claim against the payment. This could cause a replacement check to be issued.

### **115.30.3 UPSD-TCIU Processing of Non-Receipt Reports**

The Unemployment Programs Support Division-Tax Clerical Imaging Unit (UPSD-TCIU) will process the non-receipt claim or request when:

- The annuitant reports non-receipt of an accrual or adjustment payment;
- A mass loss situation has occurred;
- The annuitant reports that an endorsed check was lost or stolen;
- There is a change in representative payee and the payment in question was received by the previous representative payee;
- The annuitant is deceased and the family or a representative of the deceased annuitant reports that the annuitant did not receive one or more due payments before their death;

- The annuitant reports non-receipt of a check that is 12 months or older; or
- An FI reports that an endorsed check was lost or stolen after being cashed by the annuitant (Lost-in-Transit claims).
- The annuitant was enrolled in International Direct Deposit (IDD) and the foreign financial institution has not received one or more due payments.

Contact UPSD-TCIU via e-mail at TCIS-CSU Group if non-receipt is reported for any of these situations. When reporting non-receipt claims via e-mail, be specific, include the correct payee identification information, including full name. Indicate the exact payment date (month-year), payment amount, and specify whether the claim is for a monthly or an accrual payment.

UPSD-TCIU will also process routine non-receipt requests that are received at headquarters.

#### **115.30.4 FAST-PI Processing of Non-Receipt Claims**

When a payment investigation transaction is entered into PIENTRY, a file is prepared and transmitted to Treasury's Financial Center. A letter is also sent to the annuitant acknowledging the non-receipt claim and notifying the annuitant that the matter has been referred to the Treasury. There will not be a field office copy of this letter.

Treasury will process our file and return a second file, the Status Disposition file, to the RRB showing the action taken on each non-receipt claim. The Status Disposition file serves as an acknowledgement, and consists of a confirmation or reject message of each transaction. This initial acknowledgement usually is received in a few days, but 30 days is allowed before tracing.

The Payment Investigation On-Line Status system (PISTATUS) is updated with the action taken on each claim. Both headquarters and field offices have access to this information on the PISTATUS screens.

A list of the initial confirmation and reject messages sent from Treasury is shown in [FOM-I-1574.30.1](#).

Once a non-receipt claim is submitted to Treasury, the matter is between the annuitant and Treasury. Encourage the annuitant to promptly follow any instructions received regarding the non-receipt claim. This includes promptly returning the replacement check if the original check is located.

#### **115.30.5 Treasury Processing of Non-Receipt Claims**

When Treasury receives and processes our file, they screen their records to determine if the payment in question was issued and if issued, search their records to determine if a previous action was taken on the payment. If Treasury has no record of the payment

being issued (payment date and/or amount on the request does not match their records) or if their records show that a previous action was taken on the payment (payment was previously returned or a previous non-receipt request was processed), we will receive a reject message and no further action will be taken by Treasury on the claim.

If their records show the payment was issued and no previous action was taken, Treasury will take action as described in A or B below.

- A. Direct Deposit (DD) Cases - Treasury will prepare and release FS Form 150.2 or FS Form 150.1, Payment Trace Requests, to the financial institution (FI). The FS Form 150.2 is used to trace payments dated the current or previous month. The FS Form 150.1 is used to trace payments that were issued two months or more from the date of the trace request or as a follow-up notice to a previous trace request. Upon receipt of the FS Form 150.2/150.1, the FI must verify the status of the payment and credit the payment to the annuitant's account, if it was not previously credited or returned. The FI will also advise the annuitant regarding the status of the payment.

NOTE: If the payment was offset by TOP, Treasury will forward the non-receipt request to its debt collection center in Birmingham, AL (BDMOC). BDMOC will process the trace request against the DD payment it issued after having applied the offset and forward the request to the financial institution.

If the payment cannot be credited to the account, the FI must return it to Treasury via the Automated Clearing House network and prepare a Notification of Change if corrections are needed for future payments. RRB will issue a replacement payment once the returned payment has been credited to the railroad account.

- B. Check Cases - In check cases, Treasury will complete the check description (check symbol and serial number) and forward the non-receipt request to the Treasury office in Philadelphia, PA for further processing. That office will check their records to determine if the check has been cashed. If the payment was offset by TOP, Treasury will forward the non-receipt request to BDMOC. BDMOC will process a non-receipt request against the check it issued after having applied the offset and forward the request to the Treasury office in Hyattsville, MD for further processing.
1. Check Not Cashed - If the check has not been cashed, Treasury will issue a replacement check directly to the annuitant.

Note: This processing applies only to requests submitted using stop reason code "C" (NON RECEIPT-RFC WILL REISSUE). For all other non-receipt codes, Treasury will forward the credit to the RRB. Upon receipt of the credit, UPSD-TCIU will notify RBD or SBD to issue a replacement payment.

2. Check Cashed - If the check has been cashed, a replacement check will not be issued. The annuitant will receive a claim form (Form FMS-1133) and a photocopy of the check. The annuitant should examine the photocopy to determine if he cashed the check. No further action is necessary if the annuitant cashed the check.

If the annuitant did not cash the check, they must complete the claim form and return it, along with the check photocopy, directly to Treasury at the address shown on the claim form. The claim form should not be sent to RRB; doing so will only delay processing the claim. Not returning the check photocopy also delays Treasury's handling.

Treasury will investigate the cashing of the check and make a determination as to whether or not forgery was involved. The matter will be handled between Treasury and the annuitant. The RRB is not involved in this process. If forgery is determined, Treasury will issue a replacement check directly to the annuitant. A replacement check will not be issued if Treasury determines the annuitant cashed and/or benefited from the check.

### 115.30.6 Trace and Follow-up Actions

If an annuitant contacts you regarding the status of the non-receipt claim, check the status message on the PISTATUS screen. A complete description of all PISTATUS messages is in [FOM-I-1574.30](#).

- If the message reads “SENT TO TREASURY” and more than 30 days have elapsed since the RRB PROC DATE, notify Policy & Systems-Payment Analysis & Systems (P&S-PAS). P&S-PAS will investigate the matter.
- If the message reads “SF-1184 PROCESSED” and more than 45 days have elapsed since the RRB PROC DATE, notify P&S-PAS. P&S-PAS will investigate the matter.
- If the message reads “SF-1184 PROCESSED – PAYMENT WAS OFFSET”, this would indicate that the initial processing by BDMOC for a payment that was offset by TOP is complete. If more than 45 days have elapsed since the RRB PROC DATE, notify P&S-PAS. P&S-PAS will investigate the matter.
- If the message reads “OUTSTANDING COURTESY DISBURSEMENT ISSUED”, advise the annuitant that a replacement check has been released and to allow seven days for receipt of the payment. Add two business days to the RFC PROC DATE and use the result as the payment release date. If more than seven days have elapsed and the annuitant still claims non-receipt, notify UPSD-TCIU. UPSD-TCIU will process a non-receipt claim against the replacement check.

- If the message reads “COURTESY DISBURSEMENT ISSUED – PAYMENT WAS OFFSET”, advise the annuitant that a replacement check has been released and it was offset by TOP. The annuitant should allow seven days for receipt of the payments. Add two business days to the RFC PROC DATE and use the result as the payment release date or, access PACER or TCIS to get the exact payment date. If more than seven days have elapsed and the annuitant still claims non-receipt, notify UPSD-TCIU. UPSD-TCIU will process a non-receipt claim against the replacement check.
- If the message reads “REJECT – PAYMENT WAS FULLY OFFSET”, notify P&S-PAS to investigate. Because benefit payments must be greater than \$750.00 (or \$166.67 for IRS tax levies) to be eligible for offset, this message should not be received from Treasury
- If the message reads “PAID-PHOTOCOPY AND CLAIM TO FOLLOW, advise the annuitant that the check has been cashed and that Treasury mailed the FMS-3858 Claims Document Package (copy of the check, FMS-1133 Claim Form, and payee instructions) to them. Advise the annuitant to allow 10 business days from the RFC PROC DATE for receipt of the FMS-3858.

If more than 10 business days have elapsed and the annuitant advises that they have not received the claims package, contact Treasury at (855) 868-0151, to request a duplicate claims package. The claims package can be sent directly to the annuitant or you can request that it be sent to your office.

If the annuitant advises that they have already completed and returned the FMS-1133 Claim Form and check photocopy to Treasury, but has not received any information regarding the status of the claim, and more than 45 days have elapsed since the claim form was mailed, contact Treasury at (855) 868-0151, or e-mail to: [check.claims@fms.treas.gov](mailto:check.claims@fms.treas.gov) .

**Note:** Treasury handles all claims according to the check’s symbol and serial number. You will need to provide this information, which can be found on PISTATUS in the CK NUMBER-SYM field, PACER, and/or TCIS.

Contact UPSD-TCIU via e-mail at [TCIS-CSUGroup@rrb.gov](mailto:TCIS-CSUGroup@rrb.gov) if you cannot locate a claim on the screens, or if you need additional information. Be sure to include the claim number, annuitant’s name, and a brief description of the problem.

### **115.30.7 PISTATUS USTAR Referral Notices**

If Treasury is unable to process a non-receipt claim based on the information submitted, the RRB will receive a reject message from Treasury on the Status Disposition file. When this file is processed and updated to PISTATUS, a USTAR referral notice is produced and assigned to the field office or UPSD. The USTAR category code is “PSR – PISTATUS Rejects”. Reject referrals are loaded daily, after 6:00 pm (c). Managers

are to assign cases within one business day of the download, allowing three business days for handling. The information must be reviewed and verified. Resubmit a corrected transaction, if necessary (see [FOM 1573.30](#) for PIENTRY instructions). If assistance is needed in processing the claim, the field office should contact UPSD-TCIU via email at [TCIS-CSUGroup@rrb.gov](mailto:TCIS-CSUGroup@rrb.gov). UPSD-TCIU will contact P&S-PAS, if they require assistance. Once completed, notate in the USTAR remarks section the action taken, and close out using the Disposition Code “Handled”.

NOTE: USTAR referrals are not created for rejected non-entitlement and status requests generated through the Bureau of Fiscal Operations’ Debt Recovery Division (BFO-DRD). A TSO file is created daily to list the referrals (P.BRC.#2304DD3.\*\*). An automated email will be sent to the BFO-Debt Recovery group mailbox ([BFO-DebtRecoveryCollectionsGroup@rrb.gov](mailto:BFO-DebtRecoveryCollectionsGroup@rrb.gov)) when there is a record on the file.

**115.30.8 Mass Loss of Checks**

An abnormally large number of inquiries or reports of non-receipt regarding regular monthly annuity checks received on or shortly after the normal receipt date from annuitants residing in a relatively concentrated geographical area indicates that a mass loss of checks may have occurred.

A mass-loss of checks usually occurs when a mailbag or mail tray containing the checks is lost, destroyed, or unaccountably disappears. In most instances involving lost mail, the loss is temporary and is resolved within a short time. A mass loss is declared when:

- We know the original checks will not be delivered; the checks have been damaged or lost in route, the mail truck or postal facility caught fire, or the mail was stolen from the carrier.
- We have exhausted all reasonable efforts to locate the checks. This is a judgment call made by P&S-PAS and Field Service based upon an evaluation of all of the information gathered from Treasury and the Post Office.

If it appears that a mass loss has occurred, immediately contact the Chief of P&S-PAS via the P&S Inquiry email address. Additionally, notify your regional office and UPSD-TCIU. An email message is appropriate for notifying UPSD-TCIU. The chart below outlines the actions that will be helpful in resolving the situation.

	Field Office Actions	P&S-PAS Actions	UPSD-TCIU Actions
Day 1	Gather zip codes and keep a list of annuitant names,	Contact Treasury and let them know we have a problem developing.	



	<p>claim numbers, and telephone numbers.</p> <p>Contact the local post offices involved to determine if they received and delivered the checks.</p> <p>Notify your network manager, P&amp;S-PAS, and UPSD-TCIU of the situation.</p>	<p>Secure confirmation of the check turn over to the Post Office.</p> <p>Share turn over information with the affected field offices.</p>	
Days 2-7	<p>Provide the zip code information to P&amp;S-PAS.</p> <p>Continue to establish contact with the local post offices.</p> <p>Contact the local SSA office to determine if they are experiencing similar problems.</p> <p>Follow-up with annuitants to see if checks were received.</p> <p>If there is any media involvement, notify the Office of Public Affairs.</p> <p>Keep your network manager, P&amp;S-PAS, and UPSD-TCIU posted about any advice received from the post offices or any changes in the situation.</p>	<p>Share the zip code information with Treasury and secure the details concerning the trays; e.g. what zip code ranges were contained in each tray, were there single or multiple trays, how were the trays labeled and sorted, etc.</p> <p>Share updated information from Treasury with the affected field offices.</p>	
After Day 7	<p>Following mail delivery on the 7<sup>th</sup></p>	<p>Declare a mass loss based on the results</p>	<p>Input code "B" stops for</p>

	<p>day, evaluate the situation:</p> <p>Is there a decrease in the volume of calls?</p> <p>Has any individuals reported that checks were received?</p> <p>Has the post office reported receiving the check?</p> <p>Are there checks still missing?</p> <p>Provide UPSD-TCIU with the list of affected annuitants or, input "B" stops directly, if authorized by UPSD-TCIU.</p>	<p>of the field office's evaluation.</p> <p>Determine if the field offices should assist UPSD-TCIU in inputting claims.</p> <p>Notify the affected field offices on the mass loss decision.</p> <p>Prepare situation report according to office procedure.</p> <p>Monitor claims activity. Report, to Treasury's Check Claims Branch, any patterns that appear to be forgery so that all claims are handled consistently.</p>	<p>individuals who reported non-receipt or authorize field offices to input the claims.</p> <p>Establish cut-off for processing "B" stops. After the cut-off date, all other reports of non-receipt are handled in accordance with the regular non-receipt process.</p> <p>Monitor claims activity. Report any patterns that appear to be forgery to P&amp;S-PAS.</p>
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### 115.35 Requests For Descriptions And Photocopies Of Checks

Securing check descriptions and photocopies of checks is a time-consuming and costly process and must be held to a minimum. Requests for check descriptions and photocopies are limited to those needed for administrative purposes, such as:

- A. When the RRB is attempting to recover an RRB overpayment; e.g., a not-due check;
- B. When the payee failed to disclose the receipt of RRB benefits to a State welfare agency from which they are (were) also receiving benefits; or
- C. When an FI needs information to file a Lost-in-Transit or Holder-In-Due Course claim with its servicing Federal Reserve Bank.

If a request for a check description or check photocopy is received, access Treasury's PACER system. Note: Treasury is unable to provide a check photocopy if the issue date of the check is more than six and one-half years from the current date.

### **115.35.1 Photocopy Requests for Checks Less Than 12 Months Old**

If the payee is requesting a photocopy of a check because they believe the check was never received, i.e., the payee is not contesting an overpayment, process the request as a non-receipt claim using stop reason code C.

If the photocopy request is being made by a family member or the representative of a deceased payee, because they believe that the payee did not receive a check to which they were entitled; i.e., they are not contesting an overpayment, notify UPSD-TCIU via e-mail at [TCIS-CSUGroup@rrb.gov](mailto:TCIS-CSUGroup@rrb.gov). UPSD-TCIU will process the request as a non-entitlement claim.

### **115.35.2 Lost-In-Transit/Holder-In-Due Course Claims**

Occasionally the RRB will be contacted by an FI concerning a check that was lost after it was cashed or deposited by the payee. In this situation, the FI is considered to be the second endorser and legally entitled to the proceeds of the check. The FI must file a claim through their servicing Federal Reserve Bank. When this occurs, access PACER to secure the exact check symbol and check number, and provide this information to the FI. Under no circumstances should the RRB process a non-receipt claim for the FI.

## **115.40 Stopping Release Or Requesting Suspension Of A Monthly Annuity**

### **115.40.1 First Party Reports of Suspension or Termination Events**

When the annuitant or representative payee reports a suspension or termination event, if it can be processed on FAST (see [FOM-I-1570.30.2](#)), do so. If not, send an e-mail report to the Retirement Benefits Division (RBD) or Survivor Benefits Division (SBD) to stop the release of the monthly annuity payments. If the terminating event is death, complete a First Notice of Death (FNOD) transaction on APPLE. Normally you should not suspend or terminate a survivor beneficiary in a family group involving four or more payees. However, you should suspend or terminate any student beneficiary who loses entitlement regardless of the number of payees included in the family group. You should also suspend or terminate any survivor beneficiary belonging to a split family group who loses entitlement.

Be sure to furnish RBD or SBD with the following information in your report or telephone request:

- Correct RRB claim number ;
- Name of both payee and annuitant, if different;
- Complete mailing address, including Zip Code;
- Reason for suspension or termination.

### 115.40.2 Third Party Reports of Suspension or Termination Events

When a third party provides information that could cause suspension or termination of an annuity, attempt to verify the information through the annuitant or a family member. If you are able to verify the information, handle in accordance with section [115.40.1](#).

NOTE: Third-party notifications should not be processed without first verifying the information. With some modifications, it may be helpful to use the guidelines for securing address information for undeliverable mail (see section [139.40](#)).

### 115.40.4 Death Notification Entry

Death Notification Entry (DNE) is an electronic process which transmits notification of the death of an annuitant to the financial institution (FI). DNE transactions are limited to annuities paid by Direct Deposit/Electronic Funds Transfer (DD/EFT).

DNEs are issued daily, without regard to monthly cut-offs. DNE transactions are created from APPLE First Notice of Death (FNOD) information and from FAST-Suspension/Termination (FAST-S/T) transactions. Returned payments, death terminations from the PAM system, and annuities in suspense prior to the death termination do not create a DNE transaction.

Important Note: If an FNOD or FAST-S/T transaction is erroneous or contains a wrong date of death and the transaction is not deleted or modified before close of business on the day the transaction is entered, a DNE with the incorrect information will be released to the FI. When this occurs, immediately notify the FI. Provide the FI with the correct date of death, or inform the FI that the report of death was in error and is to be disregarded. The Retirement and Survivor Benefits Division (RSBD) Customer Service Unit must also be notified (see section [145.20](#)).

A DNE transaction furnishes the FI with the following information:

- claim number
- name of the annuitant
- account number
- date of death
- annuitant's social security number
- the next recurring payment amount

Upon receipt of the DNE, FIs are encouraged to "flag" the deceased customer's account to prevent further acceptance of post-death payments. Federal payments received after the FI has been notified of a customer's death by DNE must be returned within 3

business days of the payment date. Prompt return of the payment by the FI reduces and in some cases, eliminates the need to recover outstanding payments via the reclamation process.

## **115.41 Reclamation Of Outstanding Checks/Direct Deposit Payments**

Reclamation is the primary method for recovering last check/direct deposit (DD) payment debts. The Automated Receivable, Reclamation, and Credit (ARRC)) system will mechanically establish outstanding last check/DD debts, post returned payment data, and initiate reclamation. A simultaneous request for a cash refund is not made, nor is the amount of the outstanding last check/DD payment withheld or recovered from benefits due the survivors. This includes both recurring and non-recurring benefits; i.e., initial survivor cases, spouse-to-widow conversion cases, spouse death cases, lump sum death benefits, and accrued annuities.

If the outstanding check has been cashed or the funds were withdrawn from the annuitant's account, the Department of the Treasury (Treasury) will recover the checks/DD payments from the financial institution (FI). The FI will in turn seek recovery from the person who cashed the check or withdrew the funds from the account. In some instances, the Railroad Retirement Board's Office of Inspector General may be involved.

Note: In check cases, the "person" who cashed the check could refer to a merchant, e.g. a local grocer, who cashed the check for an individual. In this instance, the FI will seek recovery from the merchant. The merchant in turn can seek recovery from the person who presented the check to be cashed.

Continue to advise family members/applicants to return original checks to the local RRB office or to Treasury. Advise them to request the FI to return not-due DD payments to Treasury, and not to withdraw the money themselves. This could create an over-reimbursement at the RRB or an over-drawn situation in the annuitant's account.

Exception 1: In check cases, Treasury cannot reclaim the proceeds of a check that was made payable to the representative payee for the annuitant. Therefore, it is okay to accept a cash refund in this situation.

Exception 2: If a check or money order is received via mail or in person, the claims representative should check PISTATUS to determine if reclamation has been initiated and if yes, check PACER to determine the status of the reclamation before accepting a cash refund. If reclamation has already been initiated, an over-reimbursement could occur. If in doubt, contact the reclamation debt recovery specialist at (312) 751-4812 or send an email to [Zabrina.shelton@rrb.gov](mailto:Zabrina.shelton@rrb.gov). The debt recovery specialist will advise if the reclamation process can be stopped or prevented from initiating after reviewing the case. Remit the check or money order to the RRA lockbox, Retirement and Survivor Debt Collections, PO Box 979018, Saint Louis, MO 63197-9000, for handling based on their determination.

## 115.42 Over-reimbursement of Outstanding Checks

If a cash refund is received after reclamation has been initiated, an over-reimbursement will occur if Treasury is not instructed to terminate recovery action. If Treasury reclaims the funds from the FI that cashed the check, they are required to settle with the FI if the recovery action was in error, either because the date of death was wrong or refund was made directly to the RRB. The RRB will not return the money to the individual who submitted the cash refund or to the FI. The Bureau of Fiscal Operations' Debt Recovery Division (DRD) will take the following actions:

- A. Reclamation Credit Not Received - When a cash refund is received after reclamation of the check has been initiated but before credit for the check is received, DRD will notify Treasury to abandon their stop payment action. Treasury will terminate their recovery action against the FI. If the money was recovered, Treasury will issue a settlement check to the FI. RRB has no further action.
- B. Reclamation Credit Received - When a cash refund and a reclamation credit have been received, DRD will notify Treasury to abandon their reclamation action. Treasury will reverse the credit from the RRB and issue a settlement check to the FI. RRB has no further action.

Note: This handling applies only to check cases and not to payments made by DD. Refer to section [115.22.8](#) if an over-reimbursement of DD payment has occurred.

## 115.45 Tolerance

Tolerance rules have been established to avoid issuing adjustment checks for negligible amounts. The rules described below apply to most adjustments; however, some mechanical adjustments apply different limits. Unless procedure issued on a specific adjustment advises otherwise, you can presume the rules stated below were applied. Overpayment tolerance rules are covered in Article 12, Overpayments (see section [1205.26](#)).

### 115.45.1 Recurring Monthly Annuity Rate Tolerance

The recurring rate tolerance is \$1.00. Recurring annuity payments after a final award are not adjusted unless the monthly rate increases or decreases by more than \$1.00.

### 115.45.2 Underpayment Tolerance

The tolerance amount for underpayments is \$5.00. A recurring or one-payment-only award is not recertified unless the amount of the accrual payable is more than \$5.00.

### 115.45.3 Exceptions to the Tolerance Rules

Tolerance does not apply in the following situations:

- An annuitant requests that their annuity be increased; or a beneficiary requests payment of a lump sum amount.
- A partial award was made and the annuitant dies before a final award is processed.
- A recurring annuity rate changes from the O/M to the RR formula, or vice versa.
- Tolerance would have applied to the recurring rate, but an overpayment over \$25.00 exists.
- Tolerance would have applied to the recurring rate, but an underpayment over \$5.00 exists.
- An RR/SS adjustment is involved.
- Tolerance would have applied to the underpayment, but the recurring annuity rate changes by more than \$1.00.

#### **115.45.4 Tolerance Situations**

Described below are some situations involving tolerance and the action that will be taken.

- A. The difference between the correct rate and the rate being paid is more than \$1.00, and the underpayment amount is \$5.00 or less.

The annuity is recertified and the underpayment paid.

- B. The difference between the correct rate and the rate being paid is \$1.00 or less and the underpayment is more than \$5.00.

The annuity is recertified and the underpayment paid.

- C. The difference between the correct rate and the rate paid is \$1.00 or less and the underpayment is \$5.00 or less.

Tolerance applies to both the recurring rate and the underpayment. PREH records are updated with the correct rate so future mechanical adjustments are done correctly. In addition, if a manual adjustment is required in the future or the annuitant makes a request, any underpayment will be paid.

#### **115.45.5 Affects of Tolerance on Future Adjustments**

Whenever tolerance is applied to an annuity adjustment, PREH records retain the correct (actual) tier rate information for future adjustments. Consequently, an

adjustment which is not paid due to tolerance is not permanently lost. When cumulative adjustments cause a rate change in excess of \$1.00, the annuity is adjusted beginning with the month in which the monthly tolerance limit is exceeded. No adjustment is made for the months for which the increase is within tolerance unless a manual award action is required for some other reason.

### **115.50 Uncashed Checks Investigation**

Public Law 100-86 limits the payability of checks issued by the Department of the Treasury. Any check issued on or before September 30, 1989 was no longer payable effective October 1, 1990. Checks dated October 1, 1989 and later must be cashed within twelve months of the check issue date. While the period during which checks can be cashed is limited, the law does not affect annuitants' entitlement. If an annuitant allows a check to go uncashed for more than a year, the RRB can reissue payment for the period covered by that check, provided no event occurred which caused non-entitlement for that period.

Each month the RRB receives notice regarding uncashed check activity via an administrative cancellation file from Treasury. The administrative cancellation file contains notice of uncashed checks (checks which remain uncashed six months after issue) as well as reversal information for checks previously reported as uncashed. Reversals include reports that a check was subsequently cashed, reclaimed or reported as not received, lost or stolen, etc.

Each month, the latest administrative cancellation file is processed through the Uncashed Checks: Automated Investigation System (Uncashed Checks System). The system produces a letter for each annuitant for whom an uncashed check is reported. Address information for the letters is taken from the latest Checkwriting file. Where there is an uncashed check on the latest administrative cancellation file and there is a history of uncashed checks (three previously reported uncashed checks for which there are no reversals), no letter will be produced; instead, a G-236 USTAR referral will be generated to the appropriate field office. The referral will contain the annuitant's identifying information, and will list the uncashed checks. Field office handling and reporting is required.

The purposes of the letters and the field office investigation referrals are:

- To advise annuitants of the limitation on check payability so that checks will be cashed timely, eliminating the need for reissue after the payability period expires;
- To encourage annuitants to enroll in the direct deposit program because EFT payments are not subject to the limited payability provisions;
- To secure earlier notification of annuitant deaths, changes of address, or situations requiring representative payee development;



- To reduce the possibility of endorsement of checks by persons other than those to whom the check are payable.

### 115.50.5 Handling USTAR Referrals for Field Office Investigation of Uncashed Checks

A G-236 USTAR referral is produced when the most recent administrative cancellation file from Treasury contains a report that an annuitant's check is uncashed six months after issue and the Uncashed Check System history file shows three or more checks previously reported to RRB as uncashed. The category code on USTAR for the G-236 referral is the designated field office number and the letters 'UNC'; e.g., 296UNC.

When a G-236 USTAR referral is assigned, attempt to contact the annuitant, either by telephone or in person. Inform the annuitant that our records show checks issued but never cashed. Sections A through H, below, provide examples of situations which will occur as you make these contacts. Each situation has a corresponding disposition code for closing out the USTAR referral. Use the assigned disposition code that best documents your investigation results to close out the case. This is required for program integrity reporting.

The "Remarks" section should be used to provide additional information associated with closing out the case.

- Any special information requested in items A. through H. For example, if you are closing out the case for Death or Non-Entitlement, enter the date of death or date of non-entitlement event in the Remarks section.
  - Description of any unique situations which occur during the investigation contact.
  - Additional documentation of a case when multiple disposition codes could be applicable, or any other pertinent information. For example, if you discover that the annuitant has died and that some of the checks issued to them may have been cashed fraudulently, requiring referral to the Office of the Inspector General, close out the using the disposition code for "Ref. to OIG" (UO) and notate the date of death in the Remarks Section.
- A. **ADV (Advice Only) - Annuitant Has Possession of Checks** - If the annuitant states that they have the uncashed checks, encourage the annuitant to cash the checks immediately. Explain the limited payability provisions described above. Explain that if the checks are not cashed within the payability period there may be a significant delay if the annuitant later requests that the payment be reissued.

If the annuitant experiences difficulty or inconvenience in cashing annuity checks timely, encourage the annuitant to enroll in the direct deposit program. EFT payments are not subject to a limited period of payability. See section [115.20.1](#) for direct deposit enrollment information.

If the annuitant has not cashed the checks because the funds were not needed, encourage the annuitant to cash all checks before the expiration of the payability period so that, when needed, the funds will be available without a delay caused by the necessity to reissue payments after expiration of the payability period. Do not suggest that the annuitant waive his annuity or any portion of it. Waiver will preclude payment at a later date for any period covered by the waiver.

- B. ANL (Annual) - Annuitant Refuses to Cash Checks - You do not have to contact the same annuitants repeatedly. If you have contacted the annuitant and explained the importance of cashing the checks and they flatly refuse to cash them, you can limit contact with the annuitant to a yearly basis thereafter. Enter the date of the contact in the remarks section of the USTAR referral. This code will alert the Program Evaluation Section-UI/SI/DIS/FLD (PES-UI/SI/DIS/FLD), that no additional efforts will be made within the year.
- C. NAN – (No Action Needed) - Annuitant Reports that Checks Were Received and Cashed or Returned to Treasury - If the annuitant states the checks were cashed or returned within the last 60 days, assume that Treasury will send the RRB a reversal on the next month's administrative cancellation file. Take no further action, unless you receive another G-236 USTAR referral for the same checks in a subsequent month.

If the annuitant states that the checks were cashed or returned more than 60 days before the G-236 USTAR referral was generated, it may be that the Uncashed Checks System records are in error. Advise PES-UI/SI/DIS/FLD by email and note the Remarks section with your findings. If necessary, PES-UI/SI/DIS/FLD will notify P&S-PAS.

- D. NRC (Non-Receipt Claim) - Annuitant Reports that Checks Were Never Received or Were Destroyed, Lost or Stolen - If the annuitant reports non-receipt or that the checks were lost, stolen or destroyed, take appropriate action as indicated in section [115.30](#).
- E. NEN (Non-Entitlement) - Annuitant Has Not Cashed Checks Because of an Event Causing Non-Entitlement - If current annuity entitlement is affected, take action to suspend or terminate annuity payments as appropriate. Secure, if possible, the return of any uncashed checks for which there is no entitlement, according to section [115.25](#). Notify UPSD-TCIU that the uncashed check is not payable due to non-entitlement so an "F" stop can be processed for agency credit. Close out the case and notate your findings and event information in the Remarks section of the G-236 referral.
- F. DEC (Deceased) - Annuitant Is Deceased - If the annuitant has died, process a first notice of death (FNOD) transaction on APPLE to stop future annuity payments, and advise the informant that all uncashed checks issued in the annuitant's name must be returned. Develop for survivor benefits as described in

section [FOM-1-145](#), if applicable. If the informant has uncashed checks issued before the date of death, explain that a check cannot be negotiated by a person other than the payee. The checks must be returned for payment of the amount as an accrued annuity to entitled survivors. Develop for accrued annuities as described in [FOM-1-615](#). Notate your action in the G-236 USTAR referral.

- G. RPD – (Representative Payee Development) - Representative Payee Appointment or Change in Representative Payee is Required – If the annuitant is in need of a representative payee, or a change in representative payee is needed, develop for a representative payee or a change in representative payee in the usual manner. Follow the guidelines in [FOM-1-1415.15](#) to determine if the annuity should be suspended while in the representative payee development process. Uncashed checks received by field offices should be forwarded to UPST-TCIU to place a stop an “A” stop on the check. Once credit is received from Treasury, the adjudication unit can issue the payment to the newly selected representative payee. If the uncashed check status is outstanding and available to cancel, a “C” stop can be placed using PI-ENTRY to have Treasury reissue the payment to the newly selected representative payee. Close the case using this disposition code only after all representative payee development action has been completed.
- H. SUS - (Suspended) – Attempts to Contact Annuitant Are Unsuccessful/Incorrect Address. - If the annuitant no longer resides at the latest address shown on Data-Q, attempt to secure the annuitant's current address. Follow the methods outlined in section [FOM 1-139.40](#). If a current address can be secured, contact the annuitant to determine whether the uncashed checks have been received. Process a change of address for future payments, if appropriate.
- If the annuitant no longer resides at the address shown on Data-Q and you are unable to secure a current address, suspend the annuity (see section [FOM 1-139.40](#)). Close the case using this disposition code and notate your action in the Remarks section of the G-236 USTAR referral.
- I. UO - (Refer to OIG) – OIG Investigation Needed.  
If the uncashed check investigation indicates fraudulent activity has occurred, refer the case to the OIG via email at [hotline@oig.rrb.gov](mailto:hotline@oig.rrb.gov). Notate your action and any other relevant information in the Remarks section of the G-236 referral. If a secondary close out situation can apply to the case, such as death or non-entitlement, notate this and any other details in the Remarks section of the USTAR referral.

You will receive another G-236 USTAR referral when the latest monthly file shows a new uncashed check and there are still three uncashed checks in the history file.

If the second G-236 referral is generated 60 days or less after you investigate a previous G-236 referral, it may be that reversal data resulting from your investigation

(for example, checks cashed after you contacted the annuitant) will not be reflected on the second G-236 referral. This is because the Uncashed Checks System uses only the data received from Treasury on a monthly basis. If this is the case, it is not necessary to conduct another investigation in this situation, even though the second G-236 referral will list one check which did not appear on the previous G-236 referral. Close out the second G-236 referral using disposition code, NAN. However, if the prior investigation resulted in a claim of non-receipt or more than 60 days have elapsed since your last investigation, another contact should be made and your findings should be reported in the Remarks section of the second G-236 referral.

### **115.50.10 Handling Inquiries Regarding Uncashed Check Notices Sent to Annuitants**

If a check has not been cashed six months after issue and no reversal activity has been reported (reclamation, notice of non-receipt, etc.), Treasury will notify RRB via the administrative cancellation file. As a result, the Uncashed Checks System will produce a letter ([RL-81](#)) to the annuitant informing them that the check is uncashed and explaining the limited payability provisions. You may receive inquiries regarding these letters. There will be only one letter produced for each uncashed check. However, if an annuitant does not cash two annuity checks, they may receive a letter regarding the first check in one month and another letter regarding the second check in a subsequent month.

Handle the inquiries in the same manner as the field office investigation requests described in section [115.50.5](#).

### **115.50.15 Return and Reissuance of Checks After Expiration of Payability Period**

- A. Annuitant/Informant Has Possession of Checks - If an annuitant or an informant possesses checks remaining uncashed for 12 months or more, advise them to turn them in to the field office. Upon receipt, enter on the face of the returned check, beneath the name and address block next to the Statute of Liberty emblem, "Limited Payability--Not Negotiable" and forward the checks, in an envelope, to UPSD-TCIU. The envelope should be notated "Do Not Open In Mailroom". Do not forward these checks to Treasury. Secure a statement from the annuitant requesting that the checks be reissued. If the annuitant is deceased, take the necessary action as described in [FOM-1-145](#) and, if necessary, develop for accrued annuities as described in [FOM-1-615](#). The appropriate headquarters unit will reissue the checks once it is determined that entitlement to the checks exists.
- B. Annuitant Reports that the Checks Were Never Received Or Were Destroyed, Lost or Stolen - If the annuitant reports non-receipt or that the checks were lost, stolen or destroyed, access PAYBACK to determine whether or not a Limited Payability Cancellation credit (code 40) has been received for the checks in

question. If a code 40 credit has been received, contact RBD or SBD to request reissuance of the check(s).

- If the check does not appear on PAYBACK, check PISTATUS to see if a previous non-receipt claim was processed. If a previous claim was processed, prepare and release Form RL-77 to advise the annuitant of the action that was taken. Form RL-77 is on RRAILS. Refer to [FOM1-1574.20](#) for a list and explanation of the status messages.
- If there is no previous claim shown on PISTATUS and the check in question was issued 10/1/1997 or later, look up the status of the check on PACER or TCIS. If the status on PACER or TCIS is “Reconciled Issue/Payment”, the check was cashed. Request an image of the check and release it, along with Form RL-77 (RRAILS), to the annuitant advising that check was cashed and no further action can be taken because the statute of limitations for filing a claim against the check has expired.
- If the check was issued prior to 10/1/1997 or additional assistance is needed, contact UPSD-TCIU at TCIS-CSU Group. UPSD-TCIU will check available headquarters records to see if the check was previously cancelled and/or if a prior non-receipt claim was processed.
- If UPSD-TCIU finds that the check was previously cancelled or was never issued, they will refer the matter to the appropriate unit for handling.
- If a prior claim was processed, UPSD-TCIU will release an RL-77 letter to the annuitant regarding the action that was taken on that claim. A copy of the letter will be imaged.
- If the check was not previously cancelled, and no prior claim was processed, UPSD-TCIU will secure a photocopy of the check and upon receipt forward it, to the annuitant. UPSD-TCIU will also release Form RL-77 (RRAILS) to the annuitant advising that no further action can be taken, as the statute of limitations for filing a claim against the check has expired.

NOTE: If the issue date of the check is more than six and one-half years from the current date, Treasury is unable to provide a photocopy of the check. Treasury will use the message “PAID – NO PHOTOCOPY AVAILABLE”. If Treasury advised that the check was paid, UPSD-TCIU will release Form RL-77 (RRAILS) to the annuitant, with a copy to the field office, advising that no further action can be taken as the statute of limitations for obtaining a photocopy of the check has expired.

- C. Annuitant Reports That The Check Endorsement Is A Forgery - Public Law 100-86 limits the time period for initiating and filing a claim against a Treasury issued check. A non-receipt stop request must be initiated and then processed by

Treasury within one year of the check issue date. If the check is found to be paid and the annuitant alleges forgery, the annuitant must also file a claim with Treasury, using Form FMS-1133, within one year of the check issue date. If forgery is involved, Treasury has up to six months to recover the proceeds of the check.

While the law limits the time period for initiating and filing a claim, it does not prohibit the annuitant from filing a claim against an alleged forged check. However, the law prohibits Treasury from initiating recovery action against the financial institution (FI) that cashed the check and from issuing the annuitant a replacement check, even if the claim is valid. Likewise, the Railroad Retirement Board has no regulatory authority to recover from the FI or to issue the annuitant a replacement check, if the claim is valid.

If the annuitant claims that the check endorsement is a forgery, explain to them the provisions of the law and that no further action can be taken. If the annuitant insists on filing a claim, have the annuitant return the check photocopy, along with the following items:

- a signed statement attesting that they did not cash the check;
- samples of the annuitant's handwriting that were written at the time the check was cashed; and,
- any other documentation the annuitant may have to support their claim.

Forward the requested items to UPSD-TCIU. UPSD-TCIU will forward the items to Treasury's Questioned Documents Branch (QDB). QDB will perform a handwriting analysis, render an opinion regarding the endorsement of the check, and notify UPSD-TCIU of its findings. UPSD-TCIU will release Form RL-77 advising the annuitant of Treasury's decision. If forgery is determined, UPSD-TCIU will also advise the annuitant that no further action can be taken on the claim, as the statute of limitations for issuing a replacement check was expired.

### **115.50.20 Handling Uncashed Check G-608 USTAR Referrals**

A G-608 USTAR uncashed check referral is produced in cases where an annuitant's check is uncashed six months after issue, and there is termination on the record without an effective date, or a termination effective date exists, and the date of the check is after the termination effective date.

If a G-608 referral is generated for a case in which a termination effective date exists, and the date of the check is after the termination effective date, the Uncashed Checks System will generate a TSO file, 'P.BRC.#2824DD4.Y2K', for processing and handling by BFO-DRD.

The remaining referrals require investigating to determine if the uncashed payment is not due or payable, or an annuity due but unpaid at death situation exists, based on the termination date. The category code on USTAR for the G-608 referral is the 'SISUNC'. All cases will be assigned to the Survivor Initial Section for handling.

When a G-608 USTAR uncashed check referral is assigned, the adjudication unit will develop for an effective date by sending an assignment to the field office. If the development results are for death, the field office will process a First Notice of Death (FNOD) transaction on APPLE. The adjudication unit should process a FAST-S/T transaction if the terminating event is other than death. These actions will apply the date of death/event to the annuitant's record. Additionally, the adjudication unit will take the following actions on the uncashed check based on the effective date:

If the uncashed check:	Check Status	Action Needed
Is dated the same or earlier than the effective date	An accrued annuity may be due and payable	<ul style="list-style-type: none"> <li>• Send an email to the TCIS-CSU Group mailbox for the Direct Deposit Analyst (DDA) to process an "F" stop against the check to receive agency credit;</li> <li>• Initiate development action for any eligible payees based on priority of payment;</li> <li>• Notate your actions in the Remarks section of the G-608 referral, and close the case out using the disposition code of "Handled" once all action on the case has been completed.</li> </ul>
Is dated after the effective date	Check is not due or payable; or partially payable (OPO)	<ul style="list-style-type: none"> <li>• Send an email to BFO-DRD Attn: Zabrina Shelton to advise check is not due and FNOD action has been taken for reclamation handling.</li> </ul>

		<ul style="list-style-type: none"><li>• Take development action if check partially payable.</li><li>• Notate your actions in the Remarks section of the G-608 referral, and close the case out using the disposition code "Handled".</li></ul>
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