

1210.5 Small Overpayments

Overpayments are considered "small" if both of the following conditions are met:

- A. The overpayment is recoverable from one month's annuity accrual; and
- B. 50% of the person's known monthly income remains payable after the overpayment is deducted, and this income is at least \$150.00.

NOTE: "Known income" includes RR, SS, VA, military retirement, civil service retirement or any private pension benefit.

1210.5.1 Recovery Methods

Cash refund and credit cards are always requested for a small overpayment. However, full withholding is used as an alternate means of recovery if a cash refund or a request to apply the overpayment to a credit card is not received within 60 days from the date on the overpayment letter.

1210.5.2 Notification Forms and Enclosures

- A. ORCS Overpayment Letter - This letter is used as the overpayment notice whether or not the recurring monthly rate must be corrected. The ORCS letter serves as the rate correction notice (if a rate correction is necessary), the overpayment notice and a request for cash refund or repayment by credit card.
- B. Enclosures - Your Rights to Review and/or Waiver (Form G-66 PC) and Rights Request Form (Form G-66a PC) are included with the ORCS overpayment letter. An unfranked envelope preaddressed to the lockbox, an Annuity Activity Summary, Repayment Method (Form G-421 PC) and Repayment by Credit Card Form (Form G-421f PC) are also enclosed.

1210.10 Standard Overpayments

Overpayments not considered "small" as defined in FOM-I-1210.05, and in which there is current entitlement, are handled as standard overpayments. All overpayment letters, regardless of the amount of the overpayment, are now released by Headquarters. For standard overpayments caused by excess earnings, see FOM-I-1210.15.

1210.10.1 Recovery Methods

Cash refund, credit card and full withholding are offered in all standard overpayments. Actuarial adjustment and partial withholding are offered under certain circumstances.

If partial withholding is offered as a method of recovery, the Automated System to Recover Overpayments (ASTRO) defaults to partial withholding as the recovery

method. In overpayment cases where partial withholding is not one of the recovery methods available, the default recovery method is full withholding.

1210.10.2 Notification Forms and Enclosures

- A. ORCS Overpayment Letter - This letter is used as the overpayment notice in all standard overpayment cases. The ORCS letter serves as the rate correction notice (if a rate correction is necessary), the overpayment notice, and offers whatever methods of recovery are available to that person.
- B. Enclosures - Your Rights to Review and/or Waiver (Form G-66 PC) and Rights Request Form (Form G-66a PC) are included with the ORCS overpayment letter. An unfranked envelope preaddressed to the lockbox, an Annuity Activity Summary, Repayment Method (Form G-421 PC) and Repayment by Credit Card Form (Form G-421f PC) are also enclosed.
- C. Form letter RL-58b - This letter is used when check(s) not due a deceased annuitant are outstanding and another annuitant is entitled to benefits. The letter advises that if the check(s) or refund is not received, the annuity will be withheld until the entire amount is recovered. See exhibit 8A.

1210.15 Work Deduction Overpayments

If an overpayment is caused by excess earnings and another reason, it is handled as a standard overpayment (FOM-I-1210.10). If an excess earnings overpayment can be considered "small", (FOM-I-1210.5) it is handled as a small overpayment. All other excess earnings overpayments are handled as specified below. Refer to RCM 6.6.120 (Retirement) and 6.6.122 (Survivor) for additional information concerning work deduction O/P letters.

1210.15.1 Recovery Methods

Cash refund, credit card and full withholding are generally the only options for repayment offered for work deduction overpayments. However, partial withholding and actuarial adjustment may be offered under certain conditions in retirement cases.

1210.15.2 Notification Forms and Enclosures

- A. ORCS Overpayment Letter – This overpayment notification is released through the Overpayment Recovery Correspondence System (ORCS).

For Retirement cases, it is used to recover an overpayment for previous year(s).

In Survivor cases, it is used when the overpayment is for previous year(s), no temporary work deductions apply in the current year or temporary work deductions have already applied for the current year. The annuitant must be in current pay status. If recovery of the overpayment extends into the following

year, the annuitant must not have expected earnings for the following calendar year.

- B. Form letter RL-166B - This letter is used in survivor cases when the earnings overpayment is for previous year(s) and temporary work deductions apply for part or all of the current year, preventing current payment. A modified version of this letter is used for annuitants, with expected earnings that are in suspense or current pay and recovery of the overpayment will extend into the following year.
- C. Form letter RL-104 - This letter is used in a survivor work deduction case where the annuitant has an overpayment due to excess earnings for a previous year and the annuitant no longer has entitlement.
- D. Enclosures - The following forms are enclosed with work deduction overpayment letters:

G-66

G-66a

Pre-addressed envelope

G-421

G-421f

G-77 (Survivor, optional)

1210.20 Non-Current Entitlement Overpayments

1210.20.1 Non-Current Entitlement Definition

A non-current entitlement case is one in which there is no other person entitled on the same account as the person overpaid, or the only individuals entitled on the same account as the person overpaid are considered to be in a different family group; i.e., split-family groups. The following are examples of non-current entitlement cases:

- Overpayments made to survivor annuitants when there is no other person in the same family group in pay status;
- Overpayments where recovery is being attempted from the estate of a deceased person;
- Overpayments made to retirement or survivor disability annuitants who have recovered and no other person in the same family group is in pay status;
- Overpayments which are a result of an erroneous award (retirement or survivor) and there is no other person in the same family group in pay status;

- Overpayments which are a result of cancellation of an application (retirement or survivor);
- Overpayments made to a non-living-with spouse;
- Overpayments made to divorced wives who have lost entitlement due to remarriage;
- Overpayments made to spouses who have lost entitlement due to divorce;
- Overpayments made to either an employee or spouse and jurisdiction of survivor benefits is being transferred to the Social Security Administration; and
- Overpayments made to a person who is entitled to benefits, but his annuity rate is zero.

1210.20.2 ORSP Actions in Last Check/EFT Cases

When notice of death of an annuitant is received, the Bureau of Fiscal Operations' (BFO) Automated Receivables, Reclamations and Credits (ARRC) system will establish the Program Accounts Receivable (PAR) record and initiate reclamation, except in the following situations:

- Annuitant deaths prior to July 1, 1995; and,
- Cases requiring manual handling as a result of record discrepancies between the DAISY/CHICO and PREH systems.

ARRC will produce a referral listing of all cases that could not be processed mechanically.

In these exception cases and cases where an event other than death occurs causing the annuitant to lose entitlement to benefits, ORSP will take the following actions:

1. Prepare a FAST-S/T termination;
2. Release a Form RL-76 letter to secure the date of death, if it has not been furnished;
3. Determine the date(s) and amount(s) of all payments issued after death or loss of entitlement (this will include payments that will be issued because the FAST-S/T action is after cut-off);
4. Check PAYBACK to determine if the payment(s) are already returned;
5. Request that BFO-DRD establish a record of the outstanding payment(s) on the Program Accounts Receivable (PAR) system;

6. If the annuitant's date of death does not appear on the SSA MBR or on PAM, release Form RR-3 to the Program Service Center having jurisdiction of the SSA claim number to advise them of the beneficiary's death and the status of the outstanding checks.

NOTE: In RR or RR/SS benefit cases or, SS only benefit EFT cases and SS only benefit check cases that do not involve a representative payee, SSA will be advised that RRB will take recovery action. In SS only benefit check cases involving a representative payee, SSA will be advised that RRB will not take recovery action.

7. Take recovery action from an award due, if appropriate.

1210.20.3 BFO-DRD Actions in Last Check/EFT Cases

BFO-DRD will take the following actions:

1. Complete the PAR data entry;
2. Determine if reclamation action is to be initiated;
3. Post any returned payments, cash refunds and check/EFT reclamation credits;
4. Release overpayment letters as necessary. This includes initiating recovery from individuals who withdrew funds from the annuitant's account in EFT reclamation cases;
5. Do all reclamation follow-up and trace actions and
6. Cancel reclamation when recovery is made by cash refund.

1210.20.4 Non-Death Terminations

When an event occurs which causes the annuitant to lose entitlement to benefits, and there are not-due checks or EFT payments outstanding, in addition to the actions in 1210.20.2, ORSP will take the following actions:

1. Verify that BFO-DRD has been requested to establish a record on the PAR system;
2. If SS benefits are involved, verify that a Form RR-3 was released if necessary and terminate the SS benefit; and

NOTE: If the annuitant was receiving SS benefits on a claim number other than the railroad employee's number (e.g., his/her own retirement benefit) and that benefit was being paid by RRB, ORSP will determine if the payment of that benefit must be transferred back to SSA.

3. Forward the case to BFO-DRD for action.

1210.20.5 Employee Death No Current Connection - Outstanding Checks/EFT Payments

When an employee with no current connection dies, and there are not-due checks or EFT payments outstanding, in addition to the actions in 1210.20.2, ORSP will take the following actions:

A. Spouse on the Rolls

1. Verify that BFO-DRD has been requested to establish a record on the PAR system;
2. Verify that a Form RR-3 was released if SS benefits are involved;
3. Release a Form RL-71 letter to the spouse. The letter will not request a refund of the RR overpayment; and
4. Prepare a package to transfer the RR credits to SSA.

B. No Spouse on the Rolls

1. Verify that BFO-DRD has been requested to establish a record on the PAR system;
2. Verify that an RR-3 was released if SS benefits are involved; and
3. Prepare a package to transfer the RR credits to SSA.

1210.20.6 Survivor Death - Outstanding Checks/EFT Payments

When a survivor annuitant dies and there are not-due checks or EFT payments outstanding, in addition to the actions in 1210.20.2, ORSP will take the following actions:

1. Verify that BFO-DRD has been requested to establish a record on the PAR system; and
2. Verify that a Form RR-3 was released if SS benefits are involved.

1210.20.7 Divorced or Non-Living-With Spouse Death - Outstanding Checks/EFT Payments

When a divorced or non-living-with spouse annuitant dies and there are not-due checks or EFT payments outstanding, in addition to the actions in 1210.20.2, ORSP will take the following actions:

1. Verify that BFO-DRD has been requested to establish a record on the PAR system; and
2. Verify that a Form RR-3 was released if SS benefits are involved.

