535.5 Suspension and Termination Events

535.5.1 Suspension Events

Student benefits are suspended in survivor cases if the students work for an employer in the railroad industry, cease FTA or change their intent to resume FTA after a period of non-attendance of 4 months or less.

Student benefits are not payable in Special Guaranty cases, if the students cease FTA or change their intent to resume FTA after a period of non-attendance of 4 months or less.

535.5.2 Termination Events

Student annuities and entitlement to benefits payable under the Special Guaranty are terminated at the end of the month before the month in which a terminating event occurs. A terminating event is:

- A student's attainment of age 19 (actual or deemed),

- The student's marriage (benefits may be reinstated if the marriage is later determined to be void or is annulled), or,

- The student's death.

The student's graduation from secondary school is also a terminating event. However, benefits do not end until the last day of the month of FTA or, in some cases, the graduation month, as explained in FOM-I-535.10.2.

When an employee dies, the student benefits under the Special Guaranty terminate; but a survivor student annuity may be payable. Refer to FOM-I-530.5.5.

535.5.3 Fast S/T Termination of Survivor Student Benefits -

Because the FAST S/T system can accept future termination dates for survivor student annuities, field offices should use the information obtained from periodic monitoring, (see FOM-I-530.15), to ensure that benefits are terminated timely. For example, if an April monitoring contact indicates that a student is scheduled to graduate in the month of May, the field office can enter a FAST S/T transaction in April with a June termination date.

535.10 Determining Months Payable

535.10.1 Student in FTA for Part of Month

A student who meets all other eligibility requirements and whose FTA begins or ends in a month is considered to be in FTA for the entire month. For example, if the student

began FTA on September 30 and ended April 1, the annuity may be paid from September 1 through April 30.

535.10.2 Student Returns to Attend Graduation

Graduation from a secondary school ends a student's entitlement.

Any student who ceased FTA in a month and returned to school in the following month to attend graduation ceremonies only, is considered to be in FTA through the month of graduation.

Example 1: A student whose classes ended on May 15 and graduates on June   25 is in FTA for the month of June.

A student who ceased FTA in a month and returned to school only to attend graduation ceremonies after an interval of one or more months is <u>not</u> considered to be in FTA after the month of class cessation.

Example 2: A student whose classes ended on April 30 and graduates on June 15 is not in FTA for the months of May and June.

535.10.3 Student Attains Age 19

A. General

For benefits to be paid in or after the month a student attains age 19, that student must not have completed the requirements for, or received a diploma (graduated) from a secondary school.

B. School Operates on Yearly Basis

Most elementary and secondary schools operate on a yearly basis. Absent evidence to the contrary, assume that an elementary or secondary school operates on a yearly basis.

The student will be deemed to attain age 19 for termination purposes on the earlier of:

- The first day of the first full month the student is no longer in FTA; or

- The first day of the third month after attainment of age 19 if during actual FTA months; or,

- The first day of the month in which the student attains age 19 if during the deemed FTA non-attendance summer months (see L-2001-8).

Example 1: Ann attained age 19 in May 2001 while in FTA at a high school. She graduates in   June. She can be paid through June 30, 2001 (7-1-2001 payment).

Example 2: Bill attained age 19 in January 2001 while in FTA at a high school. He can be   paid through March 31, 2001 (4-1-2001 payment).

Example 3: Sarah attained age 19 in July 2001, while in deemed FTA between her Junior and senior year in high school. She can be paid through June 30, 2001 (7-1-2001 payment).

C. School Does Not Operate on Yearly Basis

The use of the words "quarter" or "semester" to denote divisions in the academic year, a change in the student's schedule of classes or short periods of non-attendance between school terms is not sufficient to establish that the school operates on a quarter or semester basis which requires re-enrollment. A school operates under such a system only when the entire academic year, including new selection of class subjects and payment of tuition (where applicable), begins each quarter or semester.

For those few situations where the secondary school operates on a quarter or semester system and requires students to re-enroll for each new quarter or semester, the student is deemed to attain age 19 on the first day of the month following the end of the quarter or semester in progress in the month of actual attainment

Example 1: Joan attained age 19 in March 2001 while in FTA at a high school. The quarter ends March 20, 2001. She can be paid through March 30, 2001 (4-1-2001 payment).

Example 2: Bill attained age 19 in January 2001 while in FTA at a high school. The quarter ends February 10, 2001. He can be paid through February 28, 2001 (3-1-2001 payment).

535.10.4 Terminating Event in Period of Non-Attendance

If a termination event occurs during a period of non-attendance and the requirements for deemed attendance are met, the student is entitled for only the months PRIOR to the month in which the terminating event occurred.

Example: A retirement O/M student's high school classes ended on May 15. He married on August 3 and resume full-time attendance at the same high school on September 6. He is entitled through the month of July.

535.15 Field Office Handling

Benefit monitoring to document and verify the payment of prior FTS benefits is required to support each suspension or termination event. The only exception to this rule is the "suspension for investigation" request to SBD in survivor cases or RBD in Special

Guaranty (Retirement O/M) cases because you cannot contact the student to verify FTA (as explained in FOM-I-530.15.4). Include the source of the information in your Outlook message. Explain your efforts to contact the student or the employee in the Outlook message..

535.15.1 School Reports Last Day of FTA on Form G-315a

FOM-I-530.15.4 instructs the RRB field office to suspend the survivor student annuity on FAST S/T or notify RBD to adjust the employee O/M rate when the student fails to return a student monitoring Form G-315. The RRB field office is to release Form G-315a to the school registrar to verify the last day of FTA.

A.   Survivor Annuities - If the school returns the Form G-315a indicating a termination event and the student annuity was not suspended timely or other survivor family members were subject to the family maximum with the student included in the family group, send an Outlook message to SBD with the correct last day of FTA.

B.   Retirement O/M Students - If the school returns the Form G-315a indicating a termination event send an Outlook message to RBD with the correct last day of FTA. RBD will make any adjustments needed in the employee's annuity.

If the previously determined "pay through" date was incorrect, enter a new APPLE screen APMU925 (PF15) showing the FTA information with the correct "pay through" date.

535.15.2 First Person Report of Event

Student benefits can be suspended or terminated immediately if the event is reported by the student or by the employee or if the school reports a last day of FTA. If anyone other than the student, the employee or the school, even the payee for a survivor student, reports a suspension or termination event, refer to FOM-I-535.15.3.

A.   Survivor Annuities -. Use FAST S/T to process the suspension or termination. In survivor cases, age 19 attainments are mechanically passed to FAST S/T for termination 4 months prior to the actual attainment. Therefore, in some cases, you may be modifying an existing pending FAST S/T termination instead of entering a termination initially.

Example: A child born January 5, 1983, will attain age 19 in January 2002. The age 19 termination for the child will appear on the FAST S/T pending screen as early as September 1, 2001, with a termination effective date of January 2002. During the December monitoring process, you determine that the student ceased FTA in December 2001.

The field office would modify the existing termination to show a termination effective date of December 2001. (Refer to FOM-I-1565 for instructions on modifying FAST transactions.)

When student benefits are to be suspended or terminated by the field office and either the suspension/termination is not timely or other survivor family members were subject to the family maximum with the student included in the family group, send an Outlook message to the SBD group mailbox to advise them of the suspension or termination event. SBD will prepare the appropriate overpayment or adjustment letter.

B.   Retirement O/M Students **-** Do not suspend the employee annuitant if the student is included in the employee's Special Guaranty (Retirement O/M) rate. When student benefits are to be suspended or terminated, send an Outlook message to the RBD group mailbox to advise them of the suspension or termination event. If it is not a timely suspension/termination, i.e., an overpayment involved, RBD will prepare the appropriate overpayment or adjustment letter**.**

If the previously determined "pay through" date was incorrect, enter a new APPLE screen APMU925 (PF15) showing the FTA information with the correct "pay through" date.

535.15.3 Third-Party Information Report of Event

If someone other than the school, the student, or the employee in a retirement case, reports an event that would cause the suspension or termination of student benefits, attempt to verify the information with the student or the employee annuitant. Because time is essential, attempt to contact the student or the employee by telephone.

A.   Able to Verify Information - If you are able to verify the information with the student or the employee, it is considered to be "first-party information." Follow the procedure in FOM-I-535.15.2.   On Contact Log, show the "student" or "employee" who verified the information as the source of the information.

B.   Unable to Verify Information - If you are unable to verify the information, in survivor cases, you should NOT suspend or terminate the student annuity on FAST-S/T. Instead, send an Outlook message to the SBD mailbox and request them to send the student annuitant a 30-day advance notice of suspension/termination based on the third-party report. In retirement cases, send an Outlook message to the RBD mailbox requesting them to adjust the employee's annuity. A student may be removed from the O/M computation of an employee's annuity without a 30-day advance notice. Include the name of the third party source of the information in your Outlook message and explain your efforts to contact the student or employee.

If the previously determined "pay through" date was incorrect, enter a new APPLE screen APMU925 (PF15) showing the FTA information with the correct "pay through" date.

535.20 Monitoring Actions Before Benefits Are Terminated

535.20.1 Controlled Monitoring

The field office should establish controls to review and/or monitor a student case two months before the earlier of the month the student:

- Graduates from high school

- Attains age 19 (actual); or

- Attains age 19 (deemed).

Mail a Form G-315 to the student with forms G-77 (survivor) or G77a (retirement) and a pre-addressed unfranked envelope. In a retirement case or a survivor case where the student has a payee, send RRAILS Form RL-313 to the employee annuitant or to the student's payee. Establish a 30-day call-up for return of the Form G-315.

When the G-315 is returned, review it to determine if the previously determined "pay through" date is correct. If the previously determined "pay through" date was incorrect, enter a new APPLE screen APMU925 (PF15) showing the FTA information with the correct "pay through" date.

Note: If the G-315 is not returned, release Form G-315a to the school to obtain the last day of FTA.

535.20.2 Case is Active Two Months before the Termination

If the case is active, review the file and determine the "pay through" date. The "pay through" date is the earlier of the date benefits end because of graduation from high school or because the student is deemed to attain age 19. You can modify existing terminations on the FAST-S/T system as explained in FOM-1-535.15.1.

Send an Outlook message to the RBD mailbox in retirement O/M cases with the "pay through" date based on information on APPLE..   Establish a call-up to monitor the case 2 months before the "pay through" date.

Note: If 2 or fewer months remain before benefits end, monitor the cases immediately as explained in FOM-I-535.20.1 above.

535.20.3 Case is Inactive When Student Attains Age 19 -

If the case is inactive, send an email to RBD in retirement O/M cases. The case should have been monitored at the time benefits were stopped.

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