

Appendix A - Preparing and Release Cash Refunds to Lockbox

Identification

The first thing to do when accepting a cash refund is to identify it as a retirement payment. The digit following B in the billing document ID number signifies the type of overpayment as follows: B2 = Retirement, B5 = Medicare, B8 = UI/SI.

If the cash refund is accompanied by a retirement overpayment notice, the billing document number should begin with "B2". "B2" billing document numbers signify retirement overpayments.

If the cash refund is not accompanied by the overpayment notice, check the payor number (claim number) on the program accounts receivable system (PARS). See [FOM 1578.25](#) for PARS instructions. Use the case history line table (ARCL) screen. If a B2 billing document number appears, it is a retirement cash refund. If the billing document is other than B2, see instructions for the UI/SI cash refunds. If after checking PARS, you cannot find a billing document number, determine why the cash refund is being made. It is possible that the cash refund is being made before the overpayment is posted to PARS (e.g., a not due last payment).

Once you have determined that the cash refund is for a Retirement overpayment, it must be forwarded to the Retirement lockbox.

Preparation

All cash refunds sent to the Retirement lockbox must be properly identified and legible. Proper identification is the presence of the payor number and billing document number. If possible forward the cash refund with a copy of the overpayment notice. All overpayment notices should indicate the payor number and billing document number.

If a copy of the overpayment notice is not available, check the claim number on PARS. Determine the billing document number by checking the ARCL screen. Use form G-23 (Lockbox Identification Slip). Enter the payor number and billing document number exactly as it appears on PARS. It is not necessary to enter the claim number on the G-23. See G-23 form instructions for proper completion. See sample 2 in this appendix for the PARS (ARCL) screen and location of the payor number and billing document ID number.

If there is no record on PARS and you have determined that the refund is for Retirement, attach form G-23 showing the claim number. See sample 1 in this appendix. The lockbox will accept cash refunds identified only by a claim number. However, these cash refunds will require manual action for posting to PARS by the payment services group (PSG).

Release

When you forward a cash refund with related correspondence to the lockbox, the cash refund will be processed by the bank. The bank will return the correspondence with a copy of the check or money order to the Payment Services Group (PSG). PSG forwards the correspondence to be matched to the claim folder. All materials received by the lockbox are forwarded to PSG.

If you are submitting a cash refund and you need to send a memorandum requesting additional action on a case, you should forward the cash refund with overpayment notice copy or G-23 to the lockbox and forward your memorandum directly to the responsible unit in headquarters. The action on the case will not be delayed waiting for the cash refund to be matched to the file.

If you are releasing multiple cash refunds at the same time, you may package them in the same envelope. You should staple each remittance to the identifying correspondence. This will avoid any mismatching of remittance by bank personnel.

