
Refunding Employee Contributions to the Retirement Health Fund



Last Updated: July 2017

In order to ensure that employees who terminate state service without qualifying for retiree healthcare benefits receive their contributions to the Retiree Health Fund (OPEB, OPE2, OTR2 or OTRS deductions), the employing agency must take specific and immediate action **before** the employee receives the last paycheck. The intent of these actions is to ensure that the separating employee receives a refund of the sum of their OPEB, OPE2, OTR2 or OTRS deductions within their last paycheck.

Please refer to **Healthcare Policy and Benefit Services Division Memorandum 2012-01 dated March 16, 2012** for additional and definitive information regarding the circumstances under which a refund should be available to a separating employee. Do **not** offer an OPEB refund to an employee with an initial hire date that is at least 10 years earlier than the termination date until you have made a determination of his or her eligibility for future retiree health benefits. Only those who leave state service **without** qualifying for retiree healthcare benefits are entitled to a refund.

If an employee who is not entitled to future retiree health benefits has requested a refund of contributions, notify the agency's payroll staff. The payroll staff should immediately enter an end date in the employee's General Deduction Page to discontinue the OPEB, OPE2, OTR2 or OTRS (specific to Teachers Retirement System employees) deduction code.

Refunds cannot be issued to an:

- Employee who has enough service to qualify for future retiree health coverage (including those leaving in deferred vested status);
- Employee transferring to another agency;
- Employee leaving the agency but planning on returning to state service in the near future;
- Employee leaving one state position but actively employed in another state agency;
- Employee leaving full-time position but actively employed part-time or as adjunct faculty; or
- Employees in the process of applying for disability retirement benefits.

As part of the exit interview process, the agency Human Resources (HR) staff determines if the employee is eligible for a refund of Retiree Health Fund contributions, and if so, provides the employee with a copy of the CO-1301, Application for Refund, Retiree Health Contributions Rev. 7/2015 to be signed. Once the CO-1301 is signed, the agency completes the following steps.

Refunding Employee Contributions to the Retirement Health Fund
 Last Updated: July 2017



Step 1: Stopping the Current Deduction

Navigation: Payroll for North America > Employee Pay Data USA > Deductions>Create General Deductions

This shows the terminating employee's existing General Deduction Page with deduction code OPEB prior to the required action.

ORACLE

Favorites | Main Menu > Payroll for North America > Employee Pay Data USA > Deductions > Create General Deductions

Create General Deductions

Shelley Pinster EmplID: 555555

Company: CT State of Connecticut Empl Rcd#: 0

General Deduction		Find View All First 7 of 14 Last
*Deduction Code:	OPEB Retirement Health Fund	+ -
Deduction Details		Find View All First 1 of 2 Last
*Effective Date:	12/16/2011	<input checked="" type="checkbox"/> Take on all Paygroups + -
*Calculation Routine:	Default to Deduction Table	<input type="checkbox"/> Ded stopped by Self Serv User
Deduction End Date:	07/02/2020	Deduction Rate or %:
Loan Interest %:		Flat/Addl Amount:
Goal Amount:		Current Goal Balance:
This data was last updated by Online User		Data last updated on 12/29/2011

Save Return to Search Notify Refresh Update/Display Include History Correct History

The agency must enter an end date on the OPEB, OPE2, OTR2 or OTRS deduction. To do this, enter a new effective row under this deduction. Enter the first day of the pay period you are currently working on in both the "Effective Date" and the "Deduction End Date" fields. The "Effective Date" and the "Deduction End Date" should be 10/04/2013 as shown in the example below.

Refunding Employee Contributions to the Retirement Health Fund

Last Updated: July 2017



ORACLE
Favorites | Main Menu > Payroll for North America > Employee Pay Data USA > Deductions > Create General Deductions

Create General Deductions

Shelley Pinster

EmplID: 555555

Company: CT State of Connecticut

Empl Rcd#: 0

General Deduction Find | View All First 7 of 14 Last

*Deduction Code: OPEB Retirement Health Fund + -

Deduction Details Find | View All First 1 of 2 Last

*Effective Date: 10/04/2013 Take on all Paygroups

*Calculation Routine: Default to Deduction Table Ded stopped by Self Serv User

Deduction End Date: 10/04/2013 Deduction Rate or %:

Loan Interest %:

Flat/Addl Amount:

Goal Amount:

Current Goal Balance:

This data was last updated by Online User Data last updated on 12/29/2011

Save Return to Search Notify Refresh Update/Display Include History Correct History

In addition, the agency should ensure that no other General Deduction exists for “ADJOPE”, a deduction that is set up to recover missed Employee Contributions to the Retiree Health Fund.

With this action, all deductions to the Retiree Health Fund cease.

It is the agency’s responsibility to run Payroll/Billing Audit to determine whether the employee has unpaid amounts due for health benefits. If yes, notify OSC Central Benefits Unit at OSC.benefitcorrections@ct.gov that the employee has requested an OPEB refund. Central Benefits will review the audit and confirm the amount to be entered into the override spreadsheet to recoup unpaid amounts

Step 2: Processing the Refund with the Employee’s Final Check

When the employee returns the signed CO-1301, the agency will determine the refund amount by entering the employee ID on the **OPEB Tracking Totals Page** located under the following navigation path: Core-CT HRMS > Benefits > OPEB>OPEB Tracking Totals Page. The refund amount will appear on this page as -“Refund Amount”.

Refunding Employee Contributions to the Retirement Health Fund

Last Updated: July 2017



Insert this amount on the CO-1301 and provide the information to agency payroll staff in sufficient time to ensure that a one-time override deduction worksheet is submitted to Central Payroll at OSC.paycorrections@ct.gov no later than Confirm Thursday **in order to include a refund in the employee's last paycheck. Send a copy of the CO-1301 to OSC.opeb@ct.gov and fill out the portion of the form indicating whether or not the agency was able to process the refund.**

NOTE:

In the unlikely event the refund is not made prior to the employee being terminated, refer to the Retroactive Payments to Terminated Employees located at http://www.core-ct.state.ct.us/hr/human_resources/hr_jobaids.htm for instructions on activating the terminated employee for payment purposes. Since the OPEB refund is being made by OSC/Payroll Services, Step 2 of the above job aid will not apply. Instead, once the employee has been reactivated and the General Deductions are stopped, insert the 'Refund Amount' on the CO-1301 and provide a copy along with the Online Check Payment Request Form to OSC/Payroll Services Division to process the refund.

Once the online check is created, reinstate the employee's terminated status in Job Data, using the same reason as the original termination.

In all cases, a copy of the CO-1301 must be sent to OSC.opeb@ct.gov.