Handling Net-Negative Contributions

**What are net-negative contributions?**
TIAA/CREF defines net-negative adjustments to employee accounts as those situations when the total contributions for a given employee, for a single reporting period are less than zero. When this situation occurs, the transaction must be processed manually with TIAA/CREF; that is not included with the normal electronic process for typical TIAA/CREF contributions. Generally, the college must notify TIAA/CREF, via a fax or mail, that too much has been paid for a specific employee providing both the amount of overpayment and when it occurred. TIAA/CREF will determine the current value of the overpaid amount and reimburse the college accordingly.

**Are PPMS processes available to assist with net-negative contributions?**
To assist with this process, some changes were incorporated into the PPMS reporting process. PPMS report, CR7105J (TIAA/CREF Remittance Register) was expanded into three parts:

- CR7105A – TIAA/CREF Remittance Register
- CR7105B – Negative EFT's/Net Zero Adjustments Not Reported
- CR7105C – Summary Report

PPMS also produces the following reports to aid in the billing and reconciliation process:

- PS1250A – TIAA/CREF Negative EFT Adjustments
- PS1250B – TIAA/CREF Deduction Code Adjustment Summary

These two reports will print from an existing job, PS1250J (Create Vendor EFT), which can be used for the billing process to TIAA/CREF.

In addition to the standard entries generated by PPMS, it will also generate an accounting entry to record the amount due from TIAA/CREF.

**What are the FMS procedures related to net-negative contributions?**
The accounting batch created by PPMS for net-negative contributions will show up in an error (A) batch with missing 0's in the Charge ID field. The net-negative amounts in the error batch
should agree with the amounts reported on the PPMS PS1250-B report. To post this entry into FMS:

- Establish an Accounts Receivable ID# (ARID) in Customer Accounts for TIAA/CREF negative contributions.
- Open the pending error batch and fill in the missing zeros in the Charge ID field and change the ARID to the TIAA/CREF ARID and release the batch.
- Generate a billing to TIAA/CREF for the amount of net-negatives on a given payroll. The billing will need to include the following for each affected employee:
  - Name
  - SSN
  - Amount of over contribution
  - Type of contribution (i.e. Plan-Employee, Plan-Employer, TDA-Employee)
  - Premium Payment Group (PPG)
  - Date of over contribution

**FMS Example**

Payroll processes and records TIAA/CREF contributions and net negative transactions. Assumes the gross amount due TIAA/CREF is $8,000 including $500 net negative contributions.

**Fund790 transactions posted from PPMS**

To record net liability to TIAA/CREF:

<table>
<thead>
<tr>
<th>TC</th>
<th>AI</th>
<th>PI</th>
<th>OI</th>
<th>DR/CR</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>800</td>
<td>790</td>
<td>3xx</td>
<td>xxxx</td>
<td>1110/5111</td>
<td>8,000.00</td>
</tr>
</tbody>
</table>

To record EFT to TIAA/CREF for gross amount due (excluding net negative contributions):

801R 790 3xx xxxx 5111/1110 8,500.00

To record receivable from TIAA/CREF for net negative contributions. Note: this entry will result in a pending A1 batch that must be released manually after entering zeros in the charge ID fields:

803 790 3xx xxxx 1312/5111 500.00

Colleges will then need to manually invoice TIAA/CREF based on payroll detail report and the receivable amount posted to GL 1312 ($500 in our example). When billing TIAA/CREF in addition to the amount due, the college must communicate the name(s), SSN, amount of over-contribution, type of contribution (i.e. Plan-Employee, Plan-Employer, TDA-Employee), Premium Payment Group (PPG) and Date of over-contribution. TIAA/CREF will refund these amounts to the colleges net of any investment market losses. TIAA/CREF has indicated that they will accept billings via the mail or by fax.
Transactions to record receipt of payment from TIAA/CREF (assuming payment in full)

To record receipt of payment from TIAA/CREF.

OR

Transactions to record receipt of payment from TIAA/CREF (assuming payment is less than invoiced due to loss in value of $50.00):

<table>
<thead>
<tr>
<th>TC</th>
<th>AI</th>
<th>PI</th>
<th>OI</th>
<th>DR/CR</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>067</td>
<td>790</td>
<td>3xx</td>
<td>xxxx</td>
<td>1110/1312</td>
<td>500.00</td>
</tr>
</tbody>
</table>

To record receipt of payment from TIAA/CREF:

<table>
<thead>
<tr>
<th>TC</th>
<th>AI</th>
<th>PI</th>
<th>OI</th>
<th>DR/CR</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>067</td>
<td>790</td>
<td>3xx</td>
<td>xxxx</td>
<td>1110/1312</td>
<td>450.00</td>
</tr>
</tbody>
</table>

To record expense for interest loss on pension contributions and liquidation of remaining receivable in Fund 790:

<table>
<thead>
<tr>
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<th>PI</th>
<th>OI</th>
<th>DR/CR</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>002</td>
<td>14x</td>
<td>xxx</td>
<td>xxxx</td>
<td>BB</td>
<td>6510/1110</td>
</tr>
<tr>
<td>067</td>
<td>790</td>
<td>3xx</td>
<td>xxxx</td>
<td>1110/1312</td>
<td>50.00</td>
</tr>
</tbody>
</table>

Note: Colleges may want to set up a unique budget account number for the expense entry for recording the cost of TIAA/CREF investment losses to allow ease of tracking.

Contacting SBCTC-ITD for Help

If you have any questions or concerns, call SBCTC-ITD Support at (425) 803-9721.