

## *FASCore Documentation*

FUNCTIONAL PROCESS: Contributions

PROCEDURE: Negative Contributions via PSC

DATE: May 2008

### Overview

Negative contributions for participants can be submitted via Plan Service Center (PSC) provided the net result of the transmission is positive. The negative contribution is processed effective current day and is allocated according to the participant's current investment election. If the negative contribution cannot be applied, the employer must provide direction on how to clear the overdraft. Employers will receive a fax from the the FASCore cash department requesting instructions on clearing an overdraft if the negative cannot be covered by other available funds, as described in the procedures.

### Procedure

- I. Negative contributions will be processed according to the participant's current investment election provided there is enough money in the funds to support the negative.
  - A. If there is not enough money in the current investment election funds, the transaction will reject in suspense and the negative will be taken from other available funds from the same money type.
    1. Participants whose current investment elections do not support the negative will have money taken from the highest valued fund up to 95% of the fund balance.
    2. If the negative can not be cleared by using 95% of the highest valued fund, the remaining shortage will be taken from the next highest valued fund.
    3. Up to 95% of each investment option will be deducted until 100% of the negative is recovered.
    4. Negative contributions greater than \$200.00 will be applied prorata against all funds based upon the current ending balance the day the negative is applied.
  - B. If the account balance is not sufficient to cover the negative, a letter will be faxed to the employer payroll contact advising them of the shortage with the options to choose from to clear the overdraft.
  - C. Negative contributions that require manual intervention by a cash processor will be cleared within 3 business days.
  - D. If a letter is required to clear the negative, the letter will be faxed to the employer no later than the 4<sup>th</sup> business day.
  - E. A follow up request will be faxed to the employer in 10 business days if no response has been received.

- F. A third follow up request will be emailed the Met Home team asking for their assistance after another 10 business days (20 business days after the initial notice) if a response has still not been received.

### III. Examples

#### A. Possible negative contribution scenarios

1. Participant receives contribution of \$50 in error. Current investment election is 50% Oppenheimer Global Fund and 50% MFS Value Fund. Employer submits negative \$50 to correct remittance error. \$25 is taken from the Oppenheimer Global Fund and \$25 from the MFS Value Fund effective current day. There is no manual intervention by a cash processor in this example.
2. Participant receives contribution of \$50 in error. Current investment election is 50% Oppenheimer Global and 50% MFS Value Fund. Participant transfers 100% of their MFS Value Fund to the Fidelity Advisor Mid Cap Fund prior to the employer submitting the negative contribution but does not change their investment election.
  - a. When the negative is processed via PSC, the entire transaction will reject in suspense due to no balance in the MFS Value Fund.
  - b. A cash processor will manually process the negative as follows:  
A new event id will be built to clear the negative. The effective date used will either be original effective date of cash or the next business day depending on the time of day the rejection is identified. 95% (to avoid rejections after share prices are entered) will be taken from the highest valued fund in the account balance and the remaining negative from the next highest valued fund. 95% of each investment option will be taken from each fund until 100% of the negative is recovered.
3. Participant receives contribution of \$50 in error. Current investment election is 50% Oppenheimer Global Fund and 50% MFS Value Fund. The participant only has an account balance in the Oppenheimer Global Fund of \$19.49 and \$28.50 in the MFS Value Fund.
  - a. The entire transaction will reject in suspense.
  - b. A cash processor will manually process the negative contribution as follows:  
A new event id will be built to clear the negative. The effective date used will either be original effective date of cash or the next business day depending on the time of day the rejection is identified. In this scenario, the processor will deplete either take what is available or remove it from the transmission and contact Plan Support.
4. Participant receives contribution of \$210.00 in error. Current investment election is 50% Oppenheimer Global Fund and 50% MFS Value Fund. Participant transfers 100% of their Oppenheimer Global Fund to the Fidelity Advisor Mid Cap Fund prior to the employer

submitting the negative contribution but does not change their investment election.

- a. The entire transaction will reject in suspense.
- b. A cash processor will manually process the negative contribution as follows:

A new event id will be built to clear the negative. The effective date used will either be original effective date of cash or the next business day depending on the time of day the rejection is identified. The \$210.00 negative will be applied prorata against all funds based upon the current ending balance the day the negative is processed.