

CalSTRS Historical Adjustments **Frequently Asked Questions (FAQ)**

Q. How should I refund employees that are still employed by our agency?

A. The Payroll Unit in the division of School Financial Services (SFS) has established a GTN in HRS for processing refunds related to these CalSTRS Historical Adjustments. Please contact [SFS Payroll Manager@lacoed.edu](mailto:SFS_Payroll_Manager@lacoed.edu) for more information on refunding active employees.

Q. How should I refund employees that are no longer employed by our agency?

A. We recommend that agencies first attempt to contact the employee about the refund. If the agency is able to contact the employee, process a refund payment to the employee via the financial system (not the payroll system). If the refund amount was listed as “Pre Tax Member Cntrb Amt” on the Excel spreadsheet, set up the employee as a 1099 vendor when processing the payment to ensure wages are reported. The employee does not need to be set up as a 1099 vendor if the refund amount was listed as “Post Tax Member Cntrb Amt” since the employee was taxed on the original contribution amount.

Q. What if the agency is not able to contact the employee?

A. The agency should document and perform due diligence when attempting to contact former employees. When that is unsuccessful, check with legal counsel on next steps. If the agency already has policies and procedures in place for returning funds to an employee in this type of situation, please follow the established policy.

Q. What if the employee is deceased?

A. The agency should attempt to contact the beneficiary(s) on the Warrant Recipient Designation form in the employee’s personnel file. Follow your agency’s established process for remitting employee payments to an authorized designated beneficiary. If no beneficiary is available, check with legal counsel. If the agency is able to contact the designated beneficiary, the refund payment should be paid through the financial system (not the payroll system). If the refund amount was listed as “Pre Tax Member Cntrb Amt” on the Excel spreadsheet, establish the designated beneficiary as a 1099 vendor when processing the payment to ensure distributions are reported. The designated beneficiary does not need to be set up as a 1099 vendor if the refund amount was listed as “Post Tax Member Cntrb Amt” since the employee was taxed on the original contribution amount.

CalSTRS Historical Adjustments **Frequently Asked Questions (FAQ)**

Q. What if the Employee owes the agency?

A. If the agency is not able to contact the employee or if the employee is deceased, check with legal counsel. If the agency is able to contact the employee, please follow the agency's normal process for collecting from employees.

Q. What does the "Member Account Status Cd" field mean?

A. The translation table has been posted in the Documents and Forms section of the SFS CalSTRS webpage at the following link: <https://www.lacoe.edu/STRS>.

Q. Does the negative amount on the Excel file indicate a refund?

A. Yes

Q. Who should I contact if I have additional questions?

A. If you have any additional questions that are not addressed in this FAQ, please contact Talina Ornelas at Ornelas_Talina@lacoe.edu.

Additional Resources:

Unclaimed Property Law and Regulations from the State Controller's Office (SCO):

- PDF Document https://www.sco.ca.gov/files-upd/guide_upd_updlaw.pdf
- SCO FAQ Website https://www.sco.ca.gov/upd_faq_about_q01.html