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MANAGEMENT ADVISORY #11-013b

DATE: May 24, 2011

TO: University and Non-Warrant Agency Personnel Officers and Benefit Coordinators

FROM: Suzetta Furlong, Manager

SUBJECT: Procedures for Premium Refund Requests

I. Background

As defined in Chapter 60P, Florida Administrative Code, whenever a university or non-warrant agency (agency) becomes aware of a total premium payment that is more than the amount required for the type of coverage selected, the agency shall take appropriate action to request a refund for the overpayment of premiums and to correct the contributions for any subsequent periods.

Agencies must submit written premium overpayment refund requests to the People First Service Center to initiate disbursement of employee and employer overpayments and to receive the overpaid amount.

II. Revised Premium Refund Forms and Process

To improve the administration of premium refund requests, DSGI and the People First Service Center are implementing changes to streamline refund functions, minimize risks, and improve data recording and tracking of premium disbursement transactions.

The Refund and Adjustment spreadsheet has been revised so you can easily indicate why a refund is being requested. We added predefined refund reason selection boxes to the spreadsheet and space for you to include information to support the refund. Additionally, you may be required to supply documentation or an explanation that supports the refund request.

Effective June 1, 2011, People First will only process refunds submitted if the university or non-warrant agency:

- ✓ Uses the [revised Refund and Adjustment spreadsheet](#). Requests submitted on older or altered versions of the spreadsheet will be returned.

- ✓ Completes each section of the spreadsheet in full.
- ✓ Provides the appropriate supporting documentation or explanation as required.

Continue to submit refund and adjustment requests to People First Fiscal Administration through eCase.

III. Instructions for Completing Refund and Adjustment Spreadsheets

The fields listed below are **required** and must be completed. People First will return incomplete requests or requests submitted on older or altered versions of the spreadsheet. Below are instructions for completing the required fields; instructions have also been provided in the second tab of the spreadsheet. **Begin using the [revised Refund and Adjustment spreadsheet June 1, 2011](#).**

A. Employee Data

1. *People First Employee ID* – employee ID number assigned in the People First system
2. *SSN* – employee Social Security Number
3. *Last Name* – employee last name
4. *First Name* – employee first name

B. Refund Information

1. *Payroll Date* – the payroll in which the premium being refunded was originally deducted.
2. *Coverage Period* – enter the coverage period of the premium being refunded.
3. *Refund Reason* – select the appropriate reason for the refund request from the drop down list. Some examples are listed below:
 - *Appeal/Arbitration/Agency Error* – select this reason when the refund is due to an approved appeal, arbitration or other legal resolution, or agency error. Submit a copy of the approved appeal, arbitration or other legal document, or agency error letter supporting the refund to People First, along with the completed refund request form.
 - *Qualifying Status Change (QSC) Cancel Benefit* – select this reason if a qualifying event resulted in cancellation of coverage causing an overpayment.
 - *QSC Coverage Reduction* – select this reason when the refund is due to a reduction in coverage causing an overpayment.
 - *Incorrect Deduction* – select this reason if incorrect deductions were taken resulting in an overpayment. Provide written explanation of what caused the overpayment.
4. *Pretax Information* – Select Y if deduction was taken on a pretax basis, select N if deduction was not taken on a pretax basis.

C. Refund Amount, Benefit Plan, and Pretax Assessment

1. Enter EE and ER refund amounts in the fields corresponding to the benefit(s) being requested. If the EE deductions were taken on a pretax basis, the pretax savings should be calculated and included in refund request.

D. Written Explanations

1. If *Incorrect Deduction* or *Other Refund Reason* is selected from the Refund Reasons drop down list, a written explanation of what caused the overpayment is required.
2. If the refund exceeds more than two consecutive coverage periods, a written explanation is required explaining what caused the delayed account correction.

IV. Tax-favored Accounts

Payroll deducted employee contributions for flexible spending and health savings accounts are applied to employee accounts the month in which the deduction is taken, unlike health premiums, which are payroll deducted the month before the coverage period.

Changes to tax-favored accounts due to approved QSC events are generally effective the first day of the month following the event. If the approved event allows for a decrease to the annual election amount, the new election amount may only be reduced to the amount that has been payroll deducted and contributed to the account as of the first of the month following the QSC event.

Due to the rules governing tax-favored accounts, refunds for pretax payroll deducted employee contributions are generally limited to approved appeals, arbitration and other legal determinations. A copy of the approved appeal letter, arbitration or other legal order must be submitted with the refund request.

If you have questions or need assistance, please call the People First Service Center at (866) 663-4735.