Handling Refunds

Situations that cause a need for refund include:

- Coverage changes resulting in lower premiums (could be due to death of spouse or retiree; late notice of plan or level change)
- Cancellation of coverage after payment received
- A person has paid more than the invoice amount (overpayment)
- Pre-existing credit from old invoices

There are five main steps to handling refunds (though not everyone uses all of these steps):

1. Update the invoice (use Bill Request screen 641)
2. Request a refund check thru Accounts Payable office
3. Wait for the refund check to be issued
4. Wait for the Billing Month-End process to occur
5. Remove the credit from the receipt (use Receipt Entry screen 642)

Step Details:

1. Update invoice to new premium amounts
   a. If handling a refund due to a pre-existing credit from old invoices, there is no need to update an invoice; begin with step 2.
   b. For each invoice:
      i. Bring up Bill Request Screen 641
      ii. Place C (Correct) in function
      iii. Update all amounts (including SGIP) to be the actual amount the invoice should have been (not the difference)
      iv. Press Enter
2. Follow the procedures set by your workstation to process a refund check through accounts payable.
3. Wait for the refund check to be issued.
4. Wait for Billing Month-End process to occur. That process reports the refund and feeds to the accounting system. Since the actual check issued is also in the accounting system, the two will balance out.
5. Remove the credit from the receipt
   a. Only do this after Billing Month-End has passed and a refund has been issued.
   b. Print (or copy/paste to Notepad) screen 118 so you can compare it after making changes.
   c. Use Receipt screen 642. Bring up the invoice number that has the credit (can use the Help key)
   d. Use N (New) function and press Enter. This screen assumes you want to remove the credit, so it shows the amounts of the credit as negative amounts, ready to remove them.
   e. If not issuing a full refund of the credit, change the amounts to be that of the refund, leaving the '-' negative sign(s) in place.
   f. Enter A (Add) as the function and press enter to save the changes.
   g. Check screen 118 against what you printed previously to confirm changes are correct.