



**Retirement and Insurance Service
Benefits Administration Letter**

Number: 01-324

Date: September 26, 2001

Subject: Handling of Individual Retirement Records when Discontinuing Payroll Services

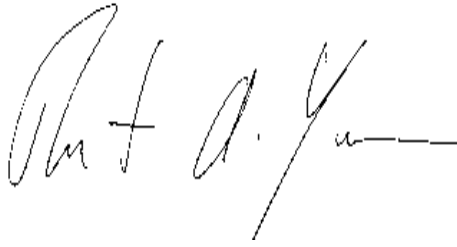
Benefits Administration Letter (BAL) 01-106 discussed the actions that organizations should take to close out Individual Retirement Records when they stop providing payroll services for their employees (either because they are cross-serviced or consolidated). Since many payroll officials do not routinely receive BALs in the 100 series, we want to make sure you are aware of this policy and to take the opportunity to clarify a few points.

When an organization discontinues payroll services, the individual retirement records of the affected employees **MUST** be closed-out and forwarded to the Office of Personnel Management (OPM). The close-out will be as of the last day the organization has payrolling responsibility for the pertinent employees. SF 2806s and SF 3100s must be generated and forwarded to OPM as soon as practicable thereafter, in accordance with the procedures in the "CSRS and FERS Handbook for Personnel and Payroll Offices." If an organization has already ceased providing payroll services, but has not yet forwarded SF 2806 and SF 3100s for all affected employees to OPM, it must do so *immediately*.

The new (or "gaining") payroll office must initiate the accumulation of individual retirement record data for all affected employees, as of the first day for which it has payrolling responsibility for them. Under **NO** circumstances may the "gaining" payroll office accept and load into its systems individual retirement record information accumulated by the "losing" payroll office.

<i>Civil Service Retirement System</i>	<i>Federal Employees' Group Life Insurance Program</i>	<i>Federal Employees Health Benefits Program</i>	<i>Federal Employees Retirement System</i>	<i>Long Term Care Insurance Program</i>
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If you have any questions regarding this information, we would prefer that you email us at finance@opm.gov, so that we have a record of our communication. You may also phone us on (202) 606-0606.

A handwritten signature in black ink, appearing to read "Robert A. Yuran". The signature is written in a cursive style with a horizontal line at the end.

**Robert A. Yuran, Chief
Financial Policy Staff**