

Flex

updates '97

DIVIDEND ACCOUNTING

INTRODUCTION

The following procedure details examples of the dividend accounting processed on Flex contracts (ABC/PBC/PMS & PML). Each of the following refer to samples as they are requested on change orders (instructions) from Retirement Services. Because these requests require additional materials from Retirement Services, such as a current status and app from Records Center, they will not be sent to our area using E-mail.

IMPORTANT: Dividends for flex contracts always earn on 12/31 of each given year. Based on the dividend option of the contract—i.e.: applied, additions, cash, etc.—the dividends will earn, but show in different ways in the record.

REFUND APPLIED DIVIDENDS IN YAD SUSPENSE

If the previous year's dividend is not used to pay premiums prior to the Due Date on the contract, the amount in the "APPLIED SUSPENSE" trailer on a status is automatically moved to the "SUSPENSE" trailer under the who code of "YAD" (Yearly Applied Dividend). This occurs to allow the *current* year's dividend, with applicable interest, to be displayed in the "APPLIED DIVIDEND" trailer. (See sample 1).

Occasionally, we are instructed to refund the amount in YAD suspense *with interest* calculated to a current date.

- A. In addition to the YAD suspense amount, the change order should reflect the amount of interest to be included in the refund. (See sample 2)

NOTE: This example is not an actual case so the amount of interest reflected on the change order sample does not coincide with the status sample.

- B. Prepare a Payment Form (# 2012) to be included in the batch (See sample 3). The form should indicate the contract number, annuitant, agency, and any accounting to be done. A copy of the change order and status should be included in the batch.
- C. Accounting is processed through an Unpaid batch using only **P9 accounting**. The accounting will remove the applied dividends from the "SUSPENSE" trailer, debit the interest account for the amount of interest, and credit the total to our clearing account (See sample 4a and 4b).

SAMPLE 4a

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE:              INT EFF DATE: 930301
ACCT\APPDIV: PX      NET AMT: 33212         P-I:      TRANS CODE: P9
PREM-INTEREST:      WHO CODE:              SIGN: N   NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:

RECORD NO. 2

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 2          DUE DATE:              INT EFF DATE: 940321
ACCT\APPDIV: 0005090 NET AMT: 2325         P-I:      TRANS CODE: P9
PREM-INTEREST:      WHO CODE:              SIGN:      NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PLEASE ENTER BATCH NUMBER AND DATA
```

SAMPLE 4b

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 3          DUE DATE:              INT EFF DATE: 940321
ACCT\APPDIV: 1502875 NET AMT: 35537         P-I:      TRANS CODE: P9
PREM-INTEREST:      WHO CODE:              SIGN: N   NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:
```

NOTE: The amount of dividends removed from the "SUSPENSE" trailer should appear as a cash entry, "C", in the "DISPERSEMENTS" trailer on a new status received the next working day.

- A. Prepare a Check Order form for the refund check and forward to Bookkeepers (See sample 5). The check should be drawn on the same clearing account that was credited in the Unpaid batch. Once the check is issued, it is forwarded to the mailroom to be sent out with the letter done by Retirement Services.

MOVE DIVIDENDS FROM CONTRACT SUSPENSE TO APPLIED DIVIDEND TRAILER

Occasionally, we receive instructions from Retirement Services to *move* applied dividends from the "SUSPENSE" trailer to the "APPLIED DIVIDEND" trailer effective a particular date. The "APPLIED SUSPENSE" trailer must be blank to process this request.

NOTE: This is done in order to have the unused dividends reflected on a particular bill soon to be generated.

- A. A change order is received from Retirement Services with a current status (See sample 6 & 7). In addition, a *Due Date* for the "APPLIED SUSPENSE" trailer should be indicated to coincide with the due date of the bill they want the dividends to appear on.

NOTE: This is not an actual case so amounts on the change order and status do not agree.

- B. On the ASF system, put the dividends into the "APPLIED SUSPENSE" trailer (See sample 8). (Refer to ASF Flex Change procedures in this manual for further information)

NOTE: The amount in SUSPENSE of \$ 332.12 with a due date of 94/03/01 is the 12/31/93 dividend of \$ 327.84 plus interest to 94/03/01.

The amount of dividends should be what was earned on last year's 12/31 date; in this case, \$ 327.84. This figure is also reflected in the "TOTAL DIV LAST 12/31" field of the status. In some instances, the amount in this field *could* agree with the amount in the "SUSPENSE" field reflecting a due date of 12/31/YY.

A Y-change pending should be put in the record while this type of case is being processed (RHCJ transaction). Also, request a new status be generated and returned to you (by entering a "1" on the ASF system entry screen).

- C. Prepare a Payment Form (# 2012). (See sample 9) On the form, include the contract number, annuitant's name, agency, and any accounting that will take place.

SAMPLE 8

NATIONAL LIFE DATA ENTRY SYSTEM

PF1 = ADD; PF2 = CHANGE; PF3 = DELETE; ENTER = NEXT; CLEAR = EXIT

FXTTICCFJ6

CONTROL NO 8602792 CK DIGIT 1 LAST ACT DATE 940301
MODE 35 WHO BEL EFFEC DATE 940301 RN REQ 1

TOT REG PREMS
TOT SGL PREMS
TOT ANN PREM BEN
TOT ADJ

TOT COP PREMS
RES TR IND
TOT COP PREM BEN

COMM LIMIT
CUR YR ANN PREM
CUR YTD COP PREM
CUR YR NET ANN
REG PREM RESERVE
ADDS RESERVE
REQUIRED INTEREST
BEGIN ANNL INT
SUM OF PREMS

COMM PERCENT
PRIOR YR ANN PREM
CUR YTD BEN PREM
PRIOR YR NET ANN
SNGL/RT RESERVE
EXCESS INTEREST
ANNUALIZED INT
HIGHEST PREM
COMMISS ANNIV

DIVID DEPOSITS

CURR DIVIDEND
INTEREST NEXT

INTEREST LAST
1099 INTEREST

APPLIED SUSPENSE

DUE DATE 940301 AMOUNT 0050000

- D. Process accounting through an Unpaid batch (See sample 10). The batch should contain the Payment Form, a copy of the change order from Retirement Services, and a copy of the status.

NOTE: If this was an ABC contract credit the 1315120 account rather than the 1515120, as this is used with PBC/PMS/PML contracts only.

SAMPLE 10

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE:              INT EFF DATE: 940301
ACCT\APPDIV: PX      NET AMT: 33212         P-I:      TRANS CODE: P9
PREM-INTEREST:      WHO CODE:              SIGN: N   NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:

RECORD NO. 2

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 2          DUE DATE:              INT EFF DATE: 940301
ACCT\APPDIV: 1515120 NET AMT: 33212         P-I:      TRANS CODE: P9
PREM-INTEREST:      WHO CODE:              SIGN: N   NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1 = HELP INFO SCREEN                                PLEASE ENTER BATCH NUMBER
AND DATA
```

- E. The new status is received and should now show no dividends in the "SUSPENSE" trailer. The amount of dividends and the appropriate Due Date will now appear in the "APPLIED SUSPENSE" trailer (See sample 11).

- F. Now that the dividends are appearing in the "APPLIED SUSPENSE" trailer, the system will automatically calculate the amount of interest on the dividends as of the particular effective date.

Obtain a *cash value* print using the RCVJ or A inquiry screen. (See sample 12. **NOTE:** sample for information only) The amount in the "APPLIED DIVIDEND" field on this print will be the total of the dividends and interest as of this particular effective date.

- G. On the ASF system, change the "DUE DATE" and the amount in the "APPLIED SUSPENSE" trailer to that shown on the cash value print. (See sample 13) A current status and the cash value print should be used. Also, be sure to request another status when this change is

processed by entering a "1" in the RN field. (Refer to the ASF Flex Change procedure for further information).

SAMPLE 11

SAMPLE 12

RCVJ 8602792,960101		SERIES L	
-ANNUITANT- CONTR #:	8602792-1	TYPE ENTRY	DUE
PEASE	JS	STATUS: 2 C	1222 960101 B20
-OWNER- TRUST #:	00994-0	AGY: 031	0000 000000
JUDITH S PEASE		ANNIV MO: 05 LST CHG: 960102 LST ACCT: 960102	
8 HILLARD		CURRENT VALUES AS OF 01/01/96	
RD		WITH RETIREMENT AS OF 06/01/2003 AT AGE 60	
KENSINGTON NH		TOTAL PREM PD	19022.65 LST PYMT 12/01/95
ZIP: 03833	SS #: 040-36-0868	CURRENT CONTRACT YIELD:	.05935
ISSUED: 986/05/01 AGE: 43		DEATH BENEFIT:	25334.37
ANNIV YR CONTR YR IRS DIV OPT	RESERVE		25334.37
95 95 8 3	LESS SURR CHG		1662.66
TOTAL PREM CONTR YEAR-TO-DATE	CASH SURR VALUE (ADDS	1582.06)	23671.71
REG ANNTY	COP PD BY BEN	DEPOSITS	
1333.28		INT ON DEPOSITS	
LAST DIV PD			
436.64			
		PRO-RATA DIVIDEND	
		APPLIED DIVIDEND	
TOTAL PD-UP ANNUITY	175.25	SUSPENSE	166.66
MO ANNTY @ RETIREMENT	265.41	TOTAL NET CASH SURRENDER	23838.37

SAMPLE 13

NATIONAL LIFE DATA ENTRY SYSTEM			
PF1 = ADD; PF2 = CHANGE; PF3 = DELETE; ENTER = NEXT; CLEAR = EXIT			
FXTTICCFJ6			
CONTROL NO	8602792	CK DIGIT	1
MODE	35	WHO	BEL
		EFFEC DATE	940301
		RN REQ	1
LAST ACT DATE		940301	
TOT REG PREMS		TOT COP PREMS	
TOT SGL PREMS		RES TR IND	
TOT ANN PREM BEN		TOT COP PREM BEN	
TOT ADJ			
COMM LIMIT		COMM PERCENT	
CUR YR ANN PREM		PRIOR YR ANN PREM	
CUR YTD COP PREM		CUR YTD BEN PREM	
CUR YR NET ANN		PRIOR YR NET ANN	
REG PREM RESERVE		SNGL/RT RESERVE	
ADDS RESERVE		EXCESS INTEREST	
REQUIRED INTEREST		ANNUALIZED INT	
BEGIN ANNL INT		HIGHEST PREM	
SUM OF PREMS		COMMISS ANNIV	
DIVID DEPOSITS			
CURR DIVIDEND		INTEREST LAST	
INTEREST NEXT		1099 INTEREST	
APPLIED SUSPENSE			
DUE DATE	940301	AMOUNT	0050000

- H. Once the new status is received, be sure to check that the "DUE DATE" and amount in the "APPLIED SUSPENSE" trailer agrees with your request. (See sample 14) If correct, remove the Y-change pending and notify Retirement Services that the case has been completed.

REFUND APPLIED DIVIDENDS IN APPLIED SUSPENSE

The request to refund dividends in applied suspense originate in Retirement Services. A cash value status or cash value print should accompany their request. Since the system can automatically calculate interest on dividends appearing in the "APPLIED SUSPENSE" field, the effective date of the status or print should be the date that we issue our refund. In other words, we should have a *future dated* effective date to allow time for processing. This status only reflects the location of the "APPLIED SUSPENSE" field.

- A. The change order is received from Retirement Services with the appropriate cash value status or print. (See sample 15)

In this example, the cash value print reflects the amount in the "APPLIED SUSPENSE" field to be refunded effective April 1, 1994. (See sample 16) The amount on this print should agree with the amount quoted on the change order.

- B. Prepare a Payment Form (2012) to be included in the batch. (See sample 17) On the form, indicate the contract number, annuitant's name and agency. Also, include the accounting to be done.
- C. Accounting is processed through an Unpaid batch using P9 accounting. The accounting is to remove the applied dividends from the "APPLIED SUSPENSE" trailer and credit to our clearing account. (See sample 18) A copy of the change order and status should be included in the batch.

NOTE: The amount of dividends removed from the "APPLIED SUSPENSE" trailer should appear as a cash entry, "C", in the "DISPERSEMENTS" trailer on a new status.

- D. Prepare a Check Order form for the refund check and forward to Bookkeepers. (See sample 19) The check should be drawn on the same clearing account that was credited in the Unpaid batch. Once the check is issued by Bookkeepers, it is forwarded to the mailroom to be matched up with the letter done by Retirement Services.

SAMPLE 18

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO:  M555

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE:              INT EFF DATE: 940401
ACCT\APPDIV: EX      NET AMT:              P-I: 1    TRANS CODE: P9
PREM-INTEREST: 35919      WHO CODE:        SIGN: N    NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:

RECORD NO. 2

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 2          DUE DATE:              INT EFF DATE: 940401
ACCT\APPDIV: 1502875 NET AMT: 35919        P-I:      TRANS CODE: P9
PREM-INTEREST:      WHO CODE:        SIGN: N    NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1 = HELP INFO SCREEN                                PLEASE ENTER BATCH NUMBER AND
DATA
```

APPLIED DIVIDENDS TO ADDITIONS

The requests to convert dividends in applied suspense to additions originate in Retirement Services. This process simply *purchases* dividend additions using the amount of dividends in applied suspense. A cash value status or cash value print should accompany their request and reflect an effective date of January 1st of the *current* year.

NOTE: This status only reflects the location of the "APPLIED SUSPENSE" field.

- A. The change order is received from Retirement Services with the appropriate cash value status or print. (See sample 20 and 21)

In this example, a cash value print (RCVJ screen) reflects the amount in the "APPLIED SUSPENSE" field to purchase the additions effective January 1, 1994. The amount on this print should agree with the amount quoted on the change order.

- B. Prepare a Payment Form (2012) to be included in the batch. (See sample 22) Be sure to include the contract number, annuitant, and agency, as well as the accounting to be done. A copy of the change order and status should also be included in the batch.
- C. The accounting is to remove the dividends from the "APPLIED SUSPENSE" trailer and purchase dividend additions. (See sample 23)

NOTE: The amount of dividends removed from the "APPLIED SUSPENSE" trailer will not appear in the "DISPERSEMENTS" trailer; it was not used to help pay premiums nor was it refunded.

- D. On the ASF system, with a current status or print, change the dividend option to additions. (See sample 24) (Refer to the ASF Flex Change procedure for further information).

NOTE: If a change in dividend option is not reflected on the change order, inquire on a RNVJ or RNVA screen first to see if the option has *already* been changed. It is not necessary to process the accounting prior to the change in dividend option.

SAMPLE 23

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE:              INT EFF DATE: 940101
ACCT\APPDIV: EX      NET AMT:              P-I: 3        TRANS CODE: P9
PREM-INTEREST: 35489  WHO CODE:            SIGN: N       NO MONTHS:
COMM CODE:          DATE CHG:      1ST YR PREM:      DESCRIPT:

RECORD NO. 2

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 2          DUE DATE:              INT EFF DATE: 940101
ACCT\APPDIV:          NET AMT: 35489        P-I: D         TRANS CODE: PP
PREM-INTEREST:          WHO CODE:          SIGN: N       NO MONTHS:
COMM CODE:          DATE CHG:      1ST YR PREM:      DESCRIPT:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1 = HELP INFO SCREEN                      PLEASE ENTER BATCH NUMBER AND DATA
```

SAMPLE 24

```
                        NATIONAL LIFE DATA ENTRY SYSTEM
PF1 = ADD; PF2 = CHANGE; PF3 = DELETE; ENTER = NEXT; CLEAR = EXIT
                        FXTTICCFJ1
CONTROL NO   8602792   CK DIGIT 1           LAST ACT DATE 940101
MODE 35      WHO      BBU           EFFEC DATE      RN REQ 1

AGENCY                               PLAN
BILL TYPE                           STATUS TYPE
PENSION TYPE                       APPROVAL-CODE
STATE                               CITY
SEX                                 BIRTHDATE
SEND TO                             SERV AGT NO
SERV AGT NO                         SERV AGT NAME

AGENCY FLAG                         SIGNATURE
SPEC HANDL BILLS                   SPEC HANDL OTHER
ISSUE DATE                         ISSUE AGE
12 31 YEAR                         SETTL OPTION
FLEXABILITY LIMIT                 HIGHEST PREMIUM
RETIRE DATE                       RETIRE AGE
MON ANNUITY                       DIV OPT 3
LIVES                             STATE OF EXEC
CONTRACT YEAR                     PREM SUSP
START SURR CHRG                   STOP SURR CHRG
                                     TOT PD UP ANN
```

YAD SUSPENSE TO ADDITIONS

Requests to convert dividends in YAD suspense to additions originate in Retirement Services. This process simply *purchases* dividend additions using the amount of dividends in YAD suspense.

- A. A change order is received from Retirement Services with an effective date and amount that should agree with what is reflected in the YAD

"SUSPENSE" field of a status. (See sample 25 and 26) In most cases, the amount in "YAD SUSPENSE" consists of the dividend earned on 12/31 and includes interest to a current date.

The amount in "YAD SUSPENSE" in this example case represents the 12/31/92 dividend plus interest to 03/01/93.

- B. Prepare a Payment Form (# 2012) to be included in the batch. (See sample 27) Be sure to include the contract number, annuitant's name and agency, as well as the accounting to be done. A copy of the change order and status should also be included in the batch.

- C. Accounting is processed through an Unpaid batch. The accounting will remove the dividends from the "YAD SUSPENSE" trailer, credit to the cash dividend account, and purchase additions. (See sample 28 and 29) The effective date of the first two accounting transactions should equal the effective date of the "YAD SUSPENSE" amount. The effective date of the last two accounting transactions should be 01/01 of the *current* year.

NOTE: When processing accounting on a PBC/PMS/PML contracts, the cash dividend account is #1515120 and the dividend additions account is #1515110. On an ABC contract, the cash dividend account is #1315120 and the dividend additions account is #1315110.

SAMPLE 28

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE:              INT EFF DATE: 930301
ACCT\APPDIV: PX      NET AMT: 33212         P-I:          TRANS CODE: P9
PREM-INTEREST:      WHO CODE:              SIGN: N     NO MONTHS:
COMM CODE:          DATE CHG:      1ST YR PREM:      DESCRIP:

RECORD NO. 2

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 2          DUE DATE:              INT EFF DATE: 930301
ACCT\APPDIV: 1515120 NET AMT: 33212         P-I:          TRANS CODE: P9
PREM-INTEREST:      WHO CODE:              SIGN: N     NO MONTHS:
COMM CODE:          DATE CHG:      1ST YR PREM:      DESCRIP:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1  = HELP INFO SCREEN                                PLEASE ENTER BATCH NUMBER AND DATA
```

SAMPLE 29

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO:  M555

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 3          DUE DATE:              INT EFF DATE: 930101
ACCT\APPDIV:        NET AMT: 33212         P-I: D      TRANS CODE: PP
PREM-INTEREST:      WHO CODE:             SIGN:      NO MONTHS:
COMM CODE:    DATE CHG:    1ST YR PREM:    DESCRIP:

RECORD NO. 2

CONTROL NO: 8602792  CHECK DIG: 1           IND CNTL:      LINE: J
TRUST NO: 4          DUE DATE:              INT EFF DATE: 930101
ACCT\APPDIV: 1515110 NET AMT: 33212         P-I:      TRANS CODE: P9
PREM-INTEREST:      WHO CODE:             SIGN:      NO MONTHS:
COMM CODE:    DATE CHG:    1ST YR PREM:    DESCRIP:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1  = HELP INFO SCREEN                               PLEASE ENTER BATCH NUMBER AND DATA
```

- D. On the ASF system, with a current status or print, change the dividend option to additions. (Refer to sample 24)

NOTE: If a change in dividend option is not reflected on the change order, inquire on a RNVJ or RNVA screen to see if the option has *already* been changed. It is not necessary to process the accounting prior to the change in dividend option.

DIVIDEND CHECK RETURNED/PURCHASE ADDITIONS

Occasionally, a cash dividend check is returned to us with a request to *purchase* dividend additions. These checks are voided back to the account they were drawn on and notification will accompany a regular remittance batch from Treasurers. The request to purchase additions and a copy of the check should be in this batch also. When received, the amount should be credited to agency suspense and correspondence forwarded to Retirement Services.

- A. A change order request is sent from Retirement Services along with a current status. (See sample 30 & 31) When the dividend check was originally disbursed, the amount appeared in the "DISPERSEMENTS" field on a status. When the dividend check is voided and the following steps processed, the amount will appear as a *negative* amount.
- B. Prepare a Payment Form (2012) indicating the accounting transactions necessary to purchase the additions, as well as the funds being taken from agency suspense. (See sample 32)

- C. The accounting to purchase the dividend additions only is processed through an Unpaid batch. (See sample 33)

NOTE: If this was an ABC contract the account number of the second accounting transaction would be #1315110; this is the dividend additions account.

SAMPLE 33

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 7703135  CHECK DIG: 7           IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE:              INT EFF DATE: 940101
ACCT\APPDIV:         NET AMT: 77225         P-I: D      TRANS CODE: PP
PREM-INTEREST:       WHO CODE:             SIGN:      NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:

RECORD NO. 2

CONTROL NO: 7703135  CHECK DIG: 7           IND CNTL:      LINE: J
TRUST NO: 2          DUE DATE:              INT EFF DATE: 940101
ACCT\APPDIV: 1515110 NET AMT: 77225         P-I:      TRANS CODE: P9
PREM-INTEREST:       WHO CODE:             SIGN:      NO MONTHS:
COMM CODE:      DATE CHG:      1ST YR PREM:      DESCRIP:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1  = HELP INFO SCREEN                                PLEASE ENTER BATCH NUMBER
AND DATA
```

- D. On the ASF system, with a current status or print, change the dividend option to additions. (Refer to sample 24) Request that a new status be generated by entering a "1" in the "RN" field.

NOTE: If a change in dividend option is not reflected on the change order, inquire on a RNVJ or RNVA screen to see if the option has *already* been changed. It is not necessary to process the accounting prior to the change in dividend option.

MISCELLANEOUS DIVIDEND ACCOUNTING

The following are accounting examples paid through Unpaid batches which involve applied dividends.

A. YRT/PRT PREMIUMS PAID WITH APPLIED DIVIDENDS

This scenario involves using applied dividends of \$37.13 and \$27.72 in policy suspense to pay a premium of \$64.85. (See sample 34)

SAMPLE 34

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 6200847  CHECK DIG: 3           IND CNTL: 1   LINE: Y
TRUST NO: 1          DUE DATE: 9305         INT EFF DATE:
ACCT\APPDIV:         NET AMT: 3713          P-I: P       TRANS CODE: P4
PREM-INTEREST: 6485   WHO CODE:             SIGN:      NO MONTHS:
COMM CODE:          DATE CHG: 1ST YR PREM:   DESCRIP:

RECORD NO. 2

CONTROL NO: 6200847  CHECK DIG: 3           IND CNTL: 1   LINE: Y
TRUST NO: 2          DUE DATE:              INT EFF DATE: 930501
ACCT\APPDIV: PX      NET AMT: 2772          P-I:        TRANS CODE: P9
PREM-INTEREST:       WHO CODE:             SIGN: N     NO MONTHS:
COMM CODE:          DATE CHG: 1ST YR PREM:   DESCRIP:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1 = HELP INFO SCREEN                                PLEASE ENTER BATCH NUMBER
AND DATA
```

B. DIVIDENDS IN SUSPENSE TO PAY THE SAME POLICY

This scenario involves paying a premium for the same amount of dividends in applied suspense. (See sample 35) **NOTE:** If there is a *net* amount due, create another Unpaid transaction for that amount only; processed as a P0 transaction.

SAMPLE 35

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 8402692  CHECK DIG: 6           IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE:              INT EFF DATE: 940101
ACCT\APPDIV: EX      NET AMT:               P-I: 2     TRANS CODE: P9
PREM-INTEREST: 9916   WHO CODE:             SIGN:      NO MONTHS:
COMM CODE:          DATE CHG: 1ST YR PREM:   DESCRIP:

RECORD NO. 2

CONTROL NO: 8402692  CHECK DIG: 6           IND CNTL:      LINE: J
TRUST NO: 2          DUE DATE: 9401         INT EFF DATE: 940101
ACCT\APPDIV:         NET AMT: 9916          P-I: P       TRANS CODE: P4
PREM-INTEREST:       WHO CODE:             SIGN:      NO MONTHS:
COMM CODE:          DATE CHG: 1ST YR PREM:   DESCRIP:

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1 = HELP INFO SCREEN                                PLEASE ENTER BATCH NUMBER
AND DATA
```


C. DIVIDENDS IN APPLIED SUSPENSE TO PAY ANOTHER CONTRACT

This scenario involves using applied dividends from contract #8301730 to pay premium on contract #8402692. (See sample 36) **NOTE:** Be sure to cross reference the contract numbers in the DESCRIPTION field on the Unpaid screens.

SAMPLE 36

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 8301730  CHECK DIG: 5            IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE:                INT EFF DATE: 940101
ACCT\APPDIV: EX      NET AMT:                P-I: 2      TRANS CODE: P9
PREM-INTEREST: 53628  WHO CODE:              SIGN:      NO MONTHS:
COMM CODE:      DATE CHG: 1ST YR PREM:        DESCRIP:

RECORD NO. 2

CONTROL NO: 8301730  CHECK DIG: 5            IND CNTL:      LINE: J
TRUST NO: 2          DUE DATE:                INT EFF DATE: 940101
ACCT\APPDIV: 0002863 NET AMT: 53628          P-I:      TRANS CODE: P9
PREM-INTEREST:      WHO CODE:              SIGN: N    NO MONTHS:
COMM CODE:      DATE CHG: 1ST YR PREM:        DESCRIP: 8402692

PF20 = SECONDARY MENU; BATCH BALANCE AND OTHER OPTIONS
PF1 = HELP INFO SCREEN                                PLEASE ENTER BATCH NUMBER
AND DATA
```

```
*****
                        CREATE NEW FLEX UNPAID RECORD
*****
RECORD NO. 1                                BATCH NO: M555

CONTROL NO: 8402692  CHECK DIG: 6            IND CNTL:      LINE: J
TRUST NO: 1          DUE DATE: 9401          INT EFF DATE: 940101
ACCT\APPDIV:      NET AMT: 53628            P-I: P      TRANS CODE: P4
PREM-INTEREST: 53628  WHO CODE:              SIGN:      NO MONTHS:
COMM CODE:      DATE CHG: 1ST YR PREM:        DESCRIP: 8301730
```