

Re-Annualizing Commissions

Overview

This article explains how to review and change the annualization setting for an agent's commission on life insurance.

Details

Some agents/agencies choose to have their first-year commission paid up front, when the initial premium is paid, instead of waiting for their earnings to be paid throughout the policy year. On LS products, annualization is automated and cannot be changed by a payment center teammate. However, on NL products, annualization is not automated.

After a reversal of premium (for ANY reason) any commission paid will chargeback from the agent. In order to trigger the appropriate payout to offset that chargeback, the policy must be re-annualized manually by the billing team.

After the re-annualization is processed, the commission payout is triggered by the next payment applied to the policy. This is especially important when processing re-establishes, refunds, or corrections for NL policies within the first year. The re-annualization must occur before the next payment is applied to the policy so that the commission will earn.

Procedure

Procedure at a Glance - Annualizing on Trad

To see this procedure in detail, click the steps above.

Step	Action
1	Review the current annualization settings in Mainframe
2	Update the PCFI screen
3	Confirm Annualization Indicator in RNVI

Step 1: Review the current annualization settings in Mainframe

In Mainframe, access the RNVI screen and review the **ANNLD COM** field in the bottom right corner.

- Confirm the **Benefits** field on the left side says **NL**.
- **A** means the agent is set up for annualized commission. No change is needed.
- **N** means the agent is not set up for annualized commission. No change is needed.
- If the field is **blank**, that means the agent was set up for annualized commission, but the policy came off EFT (such as due to a return or a reversal), and the annualized commission was reversed. To re-annualize the commission, proceed to Step 2.

```

RNVI 261 200

INS: (OWNER)          DATES ARE YYYY-MM-DD
OWN:  WILSON          STATUS: I/F PAID TO: 23-05  SUSPEND Y BRE 230411
    1608 W 11TH ST    ISSUED: 023-04-05 AGE: 39    LAST ACTION
    MALE BORN        CHG: 23-05-05 A: 0000
    ANIV YR: 23      ACT: 23-05-05 B:
                    AGENCY: 078 DIV: 00-00-00 O: 2304
SSN:  ZIP:          NOTICE TO: OWN DIV: CASH-  PL: 00-00-00 APL 0000
                    SIGNATURE: OWNER          LNRTE: 8.0%

BENEFITS             AMOUNT      CS  PREMS:
NL GL20/M 22 P (38)  850000      755.00 79 A  967.50
WP                  850000      212.50 49 S  493.43
ABR 4 - TERMINAL                    Q  251.55
ABR 5 - CHRONIC                     M   87.08
ABR D - CRITICAL ILLNESS             6   85.14
ABR E - CRITICAL INJURY
ABR H - ALZHEIMERS
                    EFT SP MO PREM      85.14
CAP 0.0

AGENT: ANNLD COM
4108H-20
7229P-37

NONFOR:  ACCEPT DATE: 23-05-21
SVC AGT RODNEY B COOPER JR
DOL: N    DD 99 LD
MED: N    1102HA2690 BPK05102309103801

PDR: I  ABR:  ABR GENR: 1 2 4 4 1
  
```

Step 2: Update the PCFI screen

If the annualization is blank, and the policy is in a paid status, and the company is NL, proceed to the PCFI screen.

1. Replace RNVI with PCFI. Press the ENTER key on your keyboard.

Note: The PCFI transaction cannot be processed when the policy is in an unpaid status or when there is a change pending on the policy. In these situations, create a task for yourself to return to the policy the following business day and complete the annualization.

2. Update the following fields on the PCFI screen.
 - In the **annualize/charge back code** field, type **V**.
 - In the **Override all?** field, type **Y**.
 - Press the ENTER key on your keyboard. The change will take effect immediately.

PCCI 267 00

INSURED: [REDACTED] NUCCITELLI ISSUED: 23-04-25

BILL ANNIV: 04-25 PD-TO: 24-04 STANDARD 1ST YR COMM: [REDACTED] OVERRIDE ALL? Y

PREM: 213.00 ANNUAL ANNUALIZE/CHARGE BACK CODE V

--AGENTS TRAILER--

AGENT	1ST COMM	ANNUAL ADJ COMMS?	AGENT	1ST COMM	ANNUAL ADJ COMMS?
A : 03393-22	10.0		B : 07721-01	50.0	
C :			D :		
E :			F :		
G :			H :		
I :			J :		

1183HA2690 BPK05102318333400

Tip: You can annualize all of the agents' commissions as stated above. If you need to annualize only certain agent's commissions, you can enter **V** in the **Annualize/charge back code** field, but leave the **Override all?** field blank. Then, enter a **Y** in the **Annl Adj Comms?** field of the individual agent(s) listed in the Agents Trailer sections of the screen. Press ENTER to submit the transaction.

Tip: If you need to remove the annualization setting, you can enter **Y** in the **Annualize/charge back code** field and **Y** in the **Override all?** field. Press ENTER to submit.

Step 3: Confirm Annualization Indicator in RNVI

Return to the RNVI screen to confirm the Annualization Indicator is now present on the policy.

```

RNVI 26 00
INS: (OWNER)
OWN:  WILSON
      1608 W 11TH ST
      [REDACTED]
SSN:  [REDACTED]  ZIP:  [REDACTED]
      BENEFITS      AMOUNT      CS  PREMS:
NL GL20/M 22 P (38) 850000 755.00 79 A 967.50
WP                               212.50 49 S 493.43
ABR 4 - TERMINAL                               Q 251.55
ABR 5 - CHRONIC                               M 87.08
ABR D - CRITICAL ILLNESS                       6 85.14
ABR E - CRITICAL INJURY
ABR H - ALZHEIMERS
      EFT SP MO PREM      85.14
      NOTICE TO: OWN DIV: CASH-
      SIGNATURE: OWNER
      AGENCY: 078 DIV: 00-00-00 O: 2304
      PL: 00-00-00 APL 0000
      LNRTE: 8.0%
      CAP 0.0 AGENT: ANNLD COM
      4108H-20 A
      7229P-37 A
      NONFOR: ACCEPT DATE: 23-05-21
      SVC AGT RODNEY B COOPER JR
      DOL: N DD 99 LD
      MED: N 1102HA2690 BPK05102309103801
PDR: I ABR: ABR GENR: 1 2 4 4 1

```

Escalation/Extreme Circumstances

The PCFI transaction can be processed only for a policy in a paid status, and only if there are no other transactions pending. There may be escalations or special circumstances that would require a policy to be re-annualized and drafted all in the same day in order to make the Thursday commission cutoff.

Reach out to your team lead or manager if you are handling an important, time sensitive transaction. If necessary, a team lead or manager can proceed with the below steps for a same-day annualization of an unpaid policy.

Click [here](#) to view the steps for same-day annualization.

1. In a new Mainframe session, type **ASFN**. Press the ENTER key on your keyboard. The below screen will be displayed.

2. Locate the **Multisystem Chg Agts Comp Trai** table. In the **Sel** field to the left of the table, type **S**. Press the ENTER key on your keyboard.

```

KDYMNOOP      NATIONAL LIFE DATA ENTRY SYSTEM      05/09/23      10:25:48
USERID: HB3896      USER TABLE SELECTION MENU

SEL  TABLE NAME/DESCRIPT      A C I D      A C I D
      D H N E      D H N E
      D G Q L      D G Q L

FXTTPBCC      S S S S
  FLEX SYSTEM  CC TRANSACTION
FXTTPBCS      S S S S
  FLEX SYSTEM  SUSPENSE
FXTTPBLC      S S S S
  FLEX SYSTEM  CASH LOAN TRANSA
FXTTPBSR      S S S S
  FLEX SYSTEM  SURRENDER TRANSAC
FXTTPNRN      S S S S
  FLEX SYSTEM  RN TRANSACTION
ISTTCLIA      S S S S
  DIVIDEND ADDS SURRENDER (CASH
ISTTCLIAF      S S S S
  DIVIDEND ADDS SURRENDER (FACE
NEXT TABLE:
F3=ENTRY F4=RECENT CHGS F5=QUERY PF7=BACK PF8=NEXT PF12=HELP CLEAR=EXIT

SEL  TABLE NAME/DESCRIPT      S S S S      S S S S
      D H N E      D H N E
      D G Q L      D G Q L

ISTTCLISC      S S S S
  INS. POLICY SURRENDER
ISTTCSBLI      S S S S
  INS. CHG. CHECK-O-MATIC BILL I
ISTTCSCAC664    S S S S
  INS. CHG. AGTS. COMPENSATION T
ISTTCSID      S S S S
  DIVIDEND DEPOSITS SURRENDER TA
S  MSTTCSCAC562  S S S S
  MULTISYSTEM CHG AGTS COMP TRAI
MSTTCSCF1      S S S S
  CHANGE SUSPENSE TRAILER TABLE
MSTTCSCF1339    S S S S
  CHANGE SUSPENSE TRAILER TABLE
  
```

3. The Insurance/Disability Change Annualized Commission Trailer screen will be displayed.

- In the **System Code** field, type **i**
- In the **Policy Number** field, type the policy number
- In the **Last Activity Date** field, type the date of the last action as shown in the top right corner of the RNVI screen
- In the **Mode** field, type **92** for an unpaid policy (or 35 for a paid policy)
- In the **Who Code** field, type your personal who code
- In the **Insurance C** field in the bottom left, type **A 0**. Make additional similar entries if there are multiple agents on the policy, using B, C, and so on.
- When you are satisfied with your changes, press the F1 key to submit the transaction

```

NATIONAL LIFE DATA ENTRY SYSTEM
PF1=ADD PF2=CHG PF3=RETURN PF7=BACK PF8=NEXT PF9=DEL CLR=EXIT
INSURANCE/DISABILITY CHANGE ANNUALIZED COMMISSION TRAILER

SYSTEM CODE i  TRANSACTION CODE CF  POLICY NUMBER 254  SUFFIX
LAST ACTIVITY DATE (YYMMDD) 230410  IF/TI  MODE 92  WHO CODE bbe

INSURANCE AND DISABILITY 1ST YEAR
#1
#2
#3

INSURANCE C      DISABILITY A      DISABILITY ST. MO.
#1 a 0          #1          #1
#2 b 0          #2          #2
#3 c 0          #3          #3
  
```

Procedure at a Glance - Annualizing on Vantage

To see this procedure in detail, click the steps above.

Step	Action
1	Review the current annualization settings.
2	Update the PG screen if the annualization is blank.
3	Confirm the Annualization Indicator in SUPR

Step 1: Review the current annualization settings in Mainframe

In Mainframe in the vtg1 system, access the SUPR screen and review the **ANNL COM IND** field in the bottom right corner.

- Confirm the **CO** field in the top left corner is **NL**.
- **Ann** means the agent is set up for annualized commission. No change is needed.
- If the field is **blank**, that means the agent is not set up for annualized commission. To determine if the commission needs to be re-annualized, proceed to Step 2.

```

COMMAND
CO NL POLICY NUM NL [REDACTED] STAT A TYPE L PLAN FLEXLIFE NL (19) DATE 05/10/2023
EFFDT 03/10/2023 ISSUE AGE 62 PEN IND NON LOB NDX LOAN DIS N RTG RSTR
AGENCY 3GD AGENT 41217 SERV AGENT ONE LAST FIN EFF DT 04/14/2023
GRP/TRUST LAST NON-FIN DT 04/10/2023

INS NAME: WILEY [REDACTED] SEX M
LAW SOC SEC [REDACTED] DOB [REDACTED] ISS ST NY RES ST NY ATND AGE 062
OWN NAME: WILEY [REDACTED]
(CORP)
ADDR-1 1638 MELVILLE ST OWNCD 0 ORIG FACE 185,000.00
ADDR-2 SOC SEC/TAX ID [REDACTED]
CITY [REDACTED] ST [REDACTED] ZIP [REDACTED] CNTRY US
FACE AMT 185,000.00 DD FREQ 12 LD OPT I PREM CL N REINS MED C
ADB N APB A CCR N UR N OIR N EB N MODAL PRM 267.00
GIO N DB2 H EDB N DI2 N COL N NXT PYMT DUE DT 06/10/2023
ABR A EPR N DI5 N OPR A ACR N LST PREM: DT 04/10/2023
SPR N PSO N LTC N CTR N LIB 3 CCP N SAR I AMT 267.00
MMP 256.98 MGP 256.98 NXT RISK PURCH DT 05/10/2023
CTP 2,405.70 N 7PP 18,128.15 NXT BILL EXT DT 05/10/2023
GDLN LEV 7,972.83 GPT MEC N SP ETI N ANNL COMM IND
GDLN SGL 104,298.08 FUT N PEN SP RPU N PDA I BSB% N TTC 0.00
GRS PYMT 624.42 ILLUM CR OPT COMM IND 1
S/A IS HARRY COHEN CLU CHFC
NXT TRX SUPR VER PROD U1 CL/POL NL [REDACTED] SEC ID CO NL OVRD N

```

Step 2: Update the PG screen if the annualization is blank.

1. In the **Nxt Trx** field in the bottom left, type **PG**. Press the ENTER key on your keyboard.

```

COMMAND
CO CD NL POL NL SEC ID PROD U1 PLAN 101418 LOB NDX STAT A
RSTR SPND PDF IND N CONTR S ANN DT 03/10/2024 LST FIN DT 04/14/2023 LN ID N
***PRODUCER INDEX***

SEGMENT          TYPE    OCC NO.    EFFECTIVE    DIRECTORY    PRODUCER
ID              TYPE    NO.      DATE        IDENTIFIER   CODE
TERM            PR      01      03/10/2023   NL2         01
APB              PR      02      03/10/2023   NL2         01
LIBR3           PR      01      03/10/2023   NL2         01
AVENM           PR      01      03/10/2023   NL2         01
ABR3            PR      01      03/10/2023   NL2         01
ABR4            PR      01      03/10/2023   NL2         01
ABR7            PR      01      03/10/2023   NL2         01

SEGMENT _    TRANS EFF DATE    ORIG CODE BPK    NO MORE
NXT TRX PG    VER    PROD U1 CL/POL    NL SEC ID    CO NL OVRD N

```

2. In the **Segment** field in the bottom left, type **01**. Press the ENTER key on your keyboard.

```

COMMAND
CO CD NL POL NL SEC ID PROD U1 PLAN 101418 LOB NDX STAT A
RSTR SPND PDF IND N CONTR S ANN DT 03/10/2024 LST FIN DT 04/14/2023 LN ID N
***PRODUCER INDEX***

SEGMENT          TYPE    OCC NO.    EFFECTIVE    DIRECTORY    PRODUCER
ID              TYPE    NO.      DATE        IDENTIFIER   CODE
TERM            PR      01      03/10/2023   NL2         01
APB              PR      02      03/10/2023   NL2         01
LIBR3           PR      01      03/10/2023   NL2         01
AVENM           PR      01      03/10/2023   NL2         01
ABR3            PR      01      03/10/2023   NL2         01
ABR4            PR      01      03/10/2023   NL2         01
ABR7            PR      01      03/10/2023   NL2         01

SEGMENT 01    TRANS EFF DATE    ORIG CODE BPK    NO MORE
NXT TRX PG    VER    PROD U1 CL/POL    NL SEC ID    CO NL OVRD N

```

3. Review the **Adv Amt** field, the **Adv Earn** field, and the **Adv Adj** field.
 - If the policy annualized on the initial premium draft, the Adv Amt will be greater than the Adv Earn. The Adv Adj field will be blank. Proceed to Step 5.
 - If the policy did not annualize on the initial premium draft, but did annualize after that point, the Adv Adj will be the premium payment that already occurred (was

not annualized), and the Adv Earn will be reduced by that amount. The amount in the Adv Earn field will be the balance that was annualized. Proceed to Step 5.

- If the policy did not annualize on the initial premium draft, and is not intended to annualize after that point, the Adv Adj will be the premium payment that already occurred (was not annualized), and the Adv Earn and Adv Amt will be 0. No change is needed.
- If the policy was never annualized, these fields will be blank. No change is needed.

[Click here to view an example of a policy that needs to be re-annualized.](#)

Because the Adv Amt is larger than the Adv Earn, and the Adv Adj is blank, this policy initially annualized upon the first premium draft. This policy needs to be re-annualized.

COMMAND _																		
CO	CD	NL	POL		NL		SEC	ID		PROD	U1	PLAN	101418	LOB	NDX	STAT	A	
RSTR		SPND		PDF	IND	N	CONTR	S	ANN	DT	04/26/2024	LST	FIN	DT	04/26/2023	LN	ID	N
PRODUCER INFORMATION																		
PRD	GP	CD	01	BSB%	N		COMM	IND	1	TRANS	EFF	DATE				ORIG	CODE	
NO	RL/	1YR	VEST	NONVEST			COMM		PERSON		AGT	AGT				USER	DEFINED	
	TP	PCT	RNEWL	YR	PCT		AGENCY		CODE		PRF	CONTR				INFORMATIONAL	AREA	
1	G	100.0	100.0	100.0			6QF		1980M20	77								
2	A	10.0	10.0	10.0			6QF		3424S02									
3	A	90.0	90.0	90.0			6QF		7677S04									
4																		
5																		
6																		
7																		
8																		
9																		
10																		
		(01)									(02)							
COMM		(03)									(04)							
USER		(05)									(06)							
AREA		(07)																
ANN	CODE						ADV	AMT	2280.00		ADV	EARN	200.00		ADV	ADJ		
NXT	TRX	PD		VER		PROD	U1	CL/POL		NL		SEC	ID		CO	NL	OVRD	N

[Click here to view an example of a policy that does not need to be re-annualized.](#)

Because the Adv Adj shows the premium payment that already occurred, and the other two fields show 0, this policy does not need to be re-annualized. No change is needed.

```

COMMAND -
CO CD NL POL NL SEC ID PROD U1 PLAN 101418 LOB NDX STAT A
RSTR SPND PDF IND N CONTR S ANN DT 03/10/2024 LST FIN DT 05/10/2023 LN ID N
***PRODUCER INFORMATION***
PRD GP CD 01 BSB% N COMM IND 1 TRANS EFF DATE ORIG CODE
NO RL/ 1YR VEST NONVEST COMM PERSON AGT AGT USER DEFINED
TP PCT RNEWL YR PCT AGENCY CODE PRF CONTR INFORMATIONAL AREA
1 G 100.0 100.0 100.0 3GD 5976223 77
2 A 100.0 100.0 100.0 3GD 4121701 HARRY COHEN CLU CHFC
3
4
5
6
7
8
9
10
(01) (02)
COMM (03) (04)
USER (05) (06)
AREA (07)
ANN CODE ADV AMT .00 ADV EARN .00 ADV ADJ 624.42
NXT TRX PD VER PROD U1 CL/POL NL SEC ID CO NL OVRD N

```

Tip: Consult a Team Lead if you are unsure whether or not a policy needs to be re-annualized.

4. In the **Ann Code** field in the bottom left, type **Ann**. Press the F4 key to submit the transaction.

```
COMMAND
CO CD NL POL NL SEC ID PROD U1 PLAN 101418 LOB NDX STAT A
RSTR SPND PDF IND N CONTR S ANN DT 03/10/2024 LST FIN DT 04/14/2023 LN ID N
***PRODUCER INFORMATION***
PRD GP CD 01 BSB% N COMM IND 1 TRANS EFF DATE ORIG CODE
NO RL/ 1YR VEST NONVEST COMM PERSON AGT AGT USER DEFINED
TP PCT RNEWL YR PCT AGENCY CODE PRF CONTR INFORMATIONAL AREA
1 G 100.0 100.0 100.0 3GD 5976223 77
2 A 100.0 100.0 100.0 3GD 4121701 HARRY COHEN CLU CHFC
3
4
5
6
7
8
9
10
(01) (02)
COMM (03) (04)
USER (05) (06)
AREA (07)
ANN CODE ANN ADV AMT .00 ADV EARN .00 ADV ADJ 624.42
NXT TRX PD VER PROD U1 CL/POL NL SEC ID CO NL OVRD N
```

Note: Unlike Trad policies, agent splits on Vantage policies must all be set to the same commission mode. It is not possible to have one agent set for annualized commissions without all of the agents on the policy also being set for annualized commissions.

Step 3: Confirm the Annualization Indicator in SUPR

The change will take effect immediately. Return to the SUPR screen to confirm the Annualization Indicator is now present on the policy.

```

COMMAND
CO NL POLICY NUM NL [REDACTED] STAT A TYPE V PLAN FLEXLIFE NL (19) DATE 05/10/2023
EFFDT 04/26/2023 ISSUE AGE 32 PEN IND NON LOB NDX LOAN DIS N RTG RSTR
AGENCY 6QF AGENT 3424S SERV AGENT MORE LAST FIN EFF DT 04/26/2023
GRP/TRUST LAST NON-FIN DT 05/03/2023
INS NAME: DAVIES [REDACTED] SEX F
LAW SOC SEC [REDACTED] DOB [REDACTED] ISS ST NY RES ST NY ATND AGE 032
OWN NAME: DAVIES [REDACTED]
(CORP)
ADDR-1 4112 12TH ST APT 3C OWNCD 0 ORIG FACE 300,000.00
ADDR-2 SOC SEC/TAX ID [REDACTED]
CITY [REDACTED] ST [REDACTED] ZIP [REDACTED] CNTRY US
FACE AMT 300,000.00 DD FREQ 04 LD OPT I PREM CL W REINS MED N
ADB N APB N CCR N UR N OIR N EB N MODAL PRM 600.00
GIO N DB2 H EDB N DI2 N COL N NXT PYMT DUE DT 08/26/2023
ABR A EPR N DI5 N OPR A ACR N LST PREM: DT 04/26/2023
SPR N PSO N LTC N CTR N LIB 3 CCP N SAR I AMT 600.00
MMP 65.99 MGP 100.82 NXT RISK PURCH DT 05/26/2023
CTP 2,280.00 N 7PP 14,670.00 NXT BILL EXT DT 07/26/2023
GDLN LEV 10,047.87 GPT MEC N SP ETI N ANNL COMM IND ANN
GDLN SGL 59,610.89 FUT N PEN SP RPU N PDA I BSB% N TTC 0.00
GRS PYMT 200.00 ILLUM CR OPT COMM IND 1
S/A IS KAMAL K HARRIS
NXT TRX SUPR VER PROD U1 CL/POL NL [REDACTED] SEC ID CO NL OVRD N

```

Escalation/Extreme Circumstances

Once the annualization indicator is set, a payment must be received on the policy to trigger the payout to the agent. There may be escalations or special circumstances that would require a policy to be re-annualized, but the next payment is not scheduled until after the Thursday commission cutoff.

Reach out to your team lead or manager if you are handling an important, time sensitive transaction. If necessary, a team lead or manager can proceed with the below steps to submit a \$0 payment to trigger the annualized commission payout.

Click [here](#) to view the steps for submitting a \$0 payment.

Create a new transaction in Mainframe using the NA1 screen in the vtg1 system.

- In the **Transaction Code** field, type **NA**
- In the **Remit Amt** field, type **0.00**
- In the **Memo CD** field, type **75**
- In the **Trans Eff Date** field, use the Current Date, formatted **MM/DD/YYYY**

- When you are satisfied with your entries, press the F1 key to submit the transaction

```

COMMAND
*** REMITTANCE TRANSACTION ***
CO NL ORIG CODE BPK POL NO NL SEC ID PROD U1

* REMITTANCE INFORMATION *
TRANSACTION CODE NA REMIT AMT 0.00 BATCH NUMBER MEMO CD 75
SOURCE CD ROLLOVER CD 1035 COST BASIS MULT PYMT IND
TRANS EFF DATE 05/10/2023 REACTIVATION INDICATOR N STATUS REQUEST TYPE N

* SUSPENSE INFORMATION *
TICKET NUMBER SUSPENSE AMT CASH APPLD

* REVERSAL INFORMATION *
REVERSAL CODE REVERSAL FILE CODE DISB INDICATOR

* NET COMMISSION INFORMATION *
AGT1 RETAINED NET PREMIUM
AGT2 RETAINED EPP CMS ADJ

TRANSACTION OVERRIDE CODE N

NXT TRX NA VER PROD U1 CL/POL NL SEC ID CO NL OVRD N

```

Related Resources

- [Re-establishing a Request](#)

Article Details

Last Reviewed	5/10/2023	Intended Audience	Inbound Payment Center
Reviewed by	Kelly Green	Business Block	Life

PUBLISHED

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