



April 12, 2024

TO: Business, Payroll and Personnel Administrators
Los Angeles County School and Community College Districts
Charter Schools and Other Local Educational Agencies

FROM: Jonah Austria, Payroll Systems Coordinator
District Personnel Information Services
Division of School Financial Services

SUBJECT: Processing HRS Warrants Issued to Deceased Employees

Districts may be in possession of uncashed payroll warrants issued to employees who are now deceased. This bulletin provides information on processing such warrants and provides answers to related frequently asked questions.

In order to release these warrants, the district must have the following:

- A valid Warrant Recipient Designation form executed by the employee, or submission of court Letters of Administration or Letters of Testamentary, or an affidavit allowing the release of funds to a beneficiary
- and
- Proof of death

An example of a Warrant Recipient Designation form is included as an attachment to this bulletin. Districts should encourage all employees to update this form every five years, or when a life change occurs.

Districts can expect a few business days turnaround upon receipt of the appropriate documentation.

PROCEDURE

District Accounting/Payroll Units wishing to re-issue wages to a qualified beneficiary should perform the following steps:

- Secure the uncashed payroll “A” Warrant
- Produce a valid Warrant Recipient Designation form or other legal documentation permitting wage distribution to a beneficiary, as mentioned previously
- Create a GAX document in FIN BEST Advantage for the net amount of the original “A” Warrant
- Make note of the original “A” Warrant number in “Document Description” in the Header section
- Charge Object code 9601, Employee Final Pay Liability Account

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- Scan and email all documents and the original warrant to SFS Payroll for verification and approval
- Return the original warrant to SFS Payroll via JET delivery
- Upon approval of the replacement warrant, create a journal entry for the stop payment of the original payroll warrant. For more information, refer to the last bullet on the attached FAQ document

Please note that Districts should not cancel the payroll “A” Warrant in HRS. SFS Payroll will perform a “stop payment” transaction on the original warrant.

If you have questions, please contact the corresponding area:

<i>Subject Matter</i>	<i>Email</i>
Commercial Claims: Payment Review/Release	sfscommercialclaims@lacoedu
SFS Payroll: Documentation Verification	sfs_payroll_requests@lacoedu
General Ledger: Accounts Payable:	sfsgeneralledger@lacoedu sfsaccounts payable@lacoedu

Approved:

Nkeiruka Benson, Director

Division of School Financial Services

JA:sm

Attachments

SFS-A44-2023-2024

Frequently Asked Questions

Processing of HRS Warrants Issued To Employees Who Are Now Deceased

- Where do I start?
 - Secure the payroll warrant and gather the required documentation.
- We don't have a Warrant Recipient Designation form on file for this employee. Where do I obtain an affidavit?
 - Contact SFS Payroll.
- The named Warrant Recipient Designation beneficiary is deceased. What should we do now?
 - Ask the family (or next-of-kin) to provide court issued "Letters of Administration" or to complete an affidavit.
- Can an employee designate more than one beneficiary?
 - Yes. If more than one primary beneficiary is named, the net amount of the original payroll warrant should be divided equally.
- What if the designated beneficiary is a minor?
 - A minor can receive the payment. If there is no designated beneficiary and the child is immediate family, the parent or guardian of the child can submit an affidavit on his/her behalf.
- Can the beneficiary be in another country?
 - Yes
- Can the beneficiary be an undocumented person?
 - Yes
- Can a trust be listed as a beneficiary?
 - Yes. However, if the employee named a trustee, the check will be payable to the trustee as an individual.
- What if we cannot locate the designated beneficiary?
 - Districts should develop policies for situations such as this. If in doubt, consult the district's General Counsel.
- Do I have to wait for approval from LACOE before submitting the GAX Document in FIN BEST Advantage?
 - No. You can enter the transaction at the time you submit the documents to SFS Payroll.
- Do we need to return the original payroll warrant to LACOE?
 - Yes. Return the voided warrant to SFS Payroll via JET mail.

- What if I need to make balance adjustments in HRS because of this transaction?
 - Complete and submit an “HRS Balance Adjustment Request – Deceased Employee” form, found on the LACOE SFS Payroll website. www.lacoe.edu/payroll

- What happens on the accounting side?
 - District makes the following accrual entries upon approval of the transaction:
 - Credit - 01.0-00000.0-00000-00000-9601-0000000 (100.00)
 - Debit - 01.0-00000.0-00000-00000-9110-0000000 100.00

 - District’s B warrant request creates the following entries:
 - Debit - 01.0-00000.0-00000-00000-9601-0000000 100.00
 - Credit - 01.0-00000.0-00000-00000-9110-0000000 (100.00)

 - The credit and debit to 9601 should net to zero.
 - Timely year-end accounting is critical to ensure that both transactions involving 9601 occur within the same fiscal year.

_____ *Unified School District*
12345 Plaza Drive
Los Angeles, CA 90242

WARRANT(S) RECIPIENT DESIGNATION

Under the provisions of Section 53245 of the California Government Code, in the event of my death I hereby designate the following named person to be entitled to receive all warrants payable to me by the _____ Unified School District had I survived:

Beneficiary Information

TYPE OR PRINT FULL NAME OF DESIGNEE	RELATIONSHIP TO EMPLOYEE
ADDRESS (NUMBER, STREET, CITY, STATE AND ZIP CODE)	
PHONE NUMBER	SOCIAL SECURITY NUMBER

Contingent Beneficiary Information

IF THE BENEFICIARY NAMED ABOVE IS NOT LIVING THEN PAY:	RELATIONSHIP TO EMPLOYEE
ADDRESS (NUMBER, STREET, CITY, STATE AND ZIP CODE)	
PHONE NUMBER	SOCIAL SECURITY NUMBER

This designation cancels and replaces any previously signed by me for this purpose and shall remain in effect until cancelled in writing by me.

It is expressly understood and agreed that the _____ *Unified School District* is not obligated to deliver said warrants to the person designated herein above unless said designated person, within two years after the date of said warrant or warrants, claims said warrants from the _____ *Unified School District* and provides to said _____ *Unified School District* sufficient proof of identity pursuant to the provisions of Section 53245 of California Government Code.

TYPE OR PRINT FULL NAME OF EMPLOYEE	SIGNATURE OF EMPLOYEE
EMPLOYEE IDENTIFICATION NUMBER	DATE SIGNED

FORM NO _____



HRS BALANCE ADJUSTMENT REQUEST DECEASED EMPLOYEE

NAME OF EMPLOYEE	DISTRICT	
EID	DATE OF DEATH	
ISSUE DATE(S)	WARRANT No	
REQUESTOR NAME AND POSITION		

Scenario ①: Employee dies during the calendar year, but wages were issued while alive whether or not they were in possession of the employee. Wages are treated as regular wages and fully reportable to the IRS (W-2) and the EDD. In this scenario only - no wage adjustment necessary. **Do not submit this form.**

Scenario ②: Employee dies, and payment issued after death but in the same calendar year of death. Wages are taxable for Social Security and Medicare (if applicable), UI and SDI, but not subject to Federal or State Personal Income Tax. Retirement contributions for wages should occur.

Adjustment Type	HRS Element No.	Adjustment Amount
Federal Gross YTD/QTD	5509/5510	\$
State Gross YTD/QTD	5505/5506	\$

Scenario ③: Employee dies, and payment issued after the year of death (regardless of accrual date). Wages are not subject to employment taxes but can be subject to retirement.

Adjustment Type	HRS Element No.	Adjustment Amount
Federal Gross YTD/QTD	5509/5510	\$
State Gross YTD/QTD	5505/5506	\$
OASDI Gross NL YTD*	5513	\$
Medicare Gross NL YTD*	5570	\$
SUI Gross YTD/QTD	5507/5508	\$

* When OASDI and Medicare grosses are adjusted, a warrant may be issued payable to the deceased employee to refund taxes.

For questions or to submit a request: Contact DPIS SFS Payroll at sfs_payroll_support@lacoed.edu or (562) 922-6447.

For Internal Use Only		
ADJUSTMENT ENTERED BY	DATE	PAY SCHEDULE