



RELEASE – REVISION OF DCMWC PROCEDURE MANUAL CHAPTER 2-1402, BENEFIT PAYMENTS

BLBA TRANSMITTAL NO. 18-07

May 2018

EXPLANATION OF MATERIAL TRANSMITTED:

This transmittal publishes the updated DCMWC Procedure Manual Chapter 2-1402, Benefit Payments. This update incorporates regulatory and procedural changes effective following the September 1997 release of the prior chapter. The updated chapter replaces the previous version in full and will be posted on the DCMWC website as well as the Black Lung Library. Accordingly, the prior chapter will be removed from the library and archived for historical purposes.

Changes in this chapter provide guidelines for the preparation of data entry forms for enrollment of claimants for black lung benefits, the payment of attorney fees in cases where the claimant was finally awarded benefits under the Black Lung Benefits Act (BLBA or the Act) and for making adjustments to established beneficiary records using the automated correspondence system. Procedural changes for releasing underpayments, resulting from the “Do Not Pay” process, are included. This chapter also incorporates updated guidance for the weekly transaction balancing audit.

Exhibit 97 is updated to conform to the automated CM-1261. Two new exhibits related to the Transaction Balancing process (Exhibits 100 and 101) are also released with this chapter.

Action: Staff should destroy locally-stored paper copies of the previous version of Procedure Manual Chapter 2-1402 and Exhibit 97.

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Distribution: All DCMWC Staff and Regional Directors

CHAPTER 2-1402, BENEFIT PAYMENTSTABLE OF CONTENTS

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1. Purpose and Scope.

This Procedure Manual (PM) chapter provides guidelines for the preparation of data entry forms associated with the enrollment of claimants for black lung benefits, the payment of attorney fees in those cases where the claimant was finally awarded benefits under the Black Lung Benefits Act (BLBA or the Act), and for making adjustments to established beneficiary records on the Program's automated data processing system, referred to as the Automated Support Package (ASP) within the Division of Coal Mine Workers' Compensation (DCMWC).

2. Legislative Authority.

[Sections 412](#) and [415 of the Act](#) and Section 28 of the Longshore and Harbor Workers' Compensation Act (LHWCA), incorporated by [Section 422 \(a\) of the BLBA](#); [20 CFR 725.501](#), [725.502](#) and [725.504](#); 20 CFR [725.365](#).

3. Policy.

The BLBA provides monetary benefits to be paid on a monthly basis to entitled miners, their eligible dependents and their survivors, or to representatives authorized to receive benefits on their behalf. It also provides for payment of covered medical treatment and related travel expenses by miner beneficiaries in connection with their black lung disease and for payment of fees for legal services rendered in pursuit of claims awarded under the BLBA.

4. References.

The System User's Manual ([SUM](#)) provided by the Program's Automated Data Processing (ADP) Support Servicing Contractor is used in conjunction with the procedures in this chapter for entering data and updating beneficiary records. The SUM is located on the Black Lung Library site.

References to other chapters in the PM are made to assist users in locating data that is relevant to performing functions associated with beneficiary enrollment and maintenance of related records on DCMWC's ASP system.

5. Definitions.

a. Post-Entitlement Change is an event that occurs after entitlement and initiation of benefit payments that will affect the beneficiary's entitlement to benefits or the amount of benefits the beneficiary is to receive.

6. Responsibilities.

a. District Director. The district director (DD) or his/her designee updates the automated data system to ensure that payments are properly distributed. Only the DD or his/her designee shall initiate a change in the benefit record.

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7. Preparing the Benefit Payments Data Entry Form (CM-1261). Enrolling a beneficiary, establishing a benefits payment record, or making adjustments on the ASP Benefit Master file requires completion of Form CM-1261 (PM Exhibit 97). That form serves as an input document for the entry of data on the Claimant and Payment Subsystem (CAPS) via the Benefit Master screen (see [SUM](#) for screen access and use). The transaction type used to access the screen controls which data fields will be added or changed.

NOTE: Only data needing to be added or changed will appear in the blocks reserved for data. Comments may be helpful but will never be written in data blocks. Comments are limited to the margins or the area reserved for errors and it is essential that they appear obviously not for input or are annotated as such. For example, claims staff may be terminating a claim and want to include the DOD for reference - it will be clearly stated as the DOD for informational purposes only and appear in the bottom margin.

a. CM-1261 will be generated via the correspondence system (CORS). The correspondence system is programmed to prompt a response for the required fields for each transaction type.

b. Transaction A is the function used solely for enrolling a chief beneficiary or attorney on the ASP Benefit Master File, and requires entry of all new data to establish the benefit record. A lump sum payment can also be issued with this initial transaction.

c. Transaction B is the function used for establishing a split payee account (for examples of a split payee, see 7.d.(6)). This transaction type is directly related to the chief beneficiary's record. A lump sum payment can also be issued with this initial transaction.

d. Transactions C through T are used to make adjustments to an existing record in the ASP Benefit Master file. The instructions for the various transactions are provided below.

e. Data Element Fields. There are 49 data element fields on the CM-1261. The numbered subsections listed below correspond to the fields identified in PM Exhibit 97.

(1) Case ID. With the implementation of digital records, every claim was assigned a Case ID. This ID must be entered on the input form to ensure that the document is imaged to the correct electronic record.

(2) Page -- of --. If more than one transaction is required to establish or update a record on the Benefit Master screen, the appropriate number to coincide with the order in which each transaction is to be entered. For example: Page 2 of 4.

(3) Miner SSN. The miner's social security number (SSN) or the

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nine digit DCMWC number assigned to the claim. (Ref. PM Chapter 1-301)

(4) Part Type. The one-character that identifies the claim by part type. C = Part C and B = Part B.

(5) Chief Type. The two-character code that identifies the relationship of the chief beneficiary to the miner:

LM = Miner.
 LW = Widow/er.
 LX = Divorced Widow/er.
 X1-X9 = Divorced Widow(s), Dependent Children of Ex-Spouse(s) or a successor beneficiary of a 'multiple chief' beneficiary.
 L1-L9 = Child(ren)
 P1 = Natural Father.
 P2 = Natural Mother.
 P3 = Adoptive Father.
 P4 = Adoptive Mother.
 P5 = Stepfather.
 P6 = Stepmother.
 S1, S3, S5, S7 = Brother(s).
 S2, S4, S6, S8 = Sister(s).
 T2, T3, T4 = Trust Fund Attorney Fee Awards (see section 12 below). T4 is also to be used for payment of documents to a commercial entity (see section 13 below).

(6) Split Type. If applicable, the two-letter code of the split payee.

A split payee is usually a dependent who is to receive a portion of the chief beneficiary's monthly benefit in a separate check or a survivor when more than one survivor is eligible to receive a share of an underpayment due on a deceased beneficiary's record. An attorney may also be a split payee in cases in which the attorney fee awarded is made a lien against the primary beneficiary's lump sum and/or monthly benefit payments.

Valid split payee codes are:

LS = Living Spouse - chief beneficiary must be a living miner (LM).

L1-L9 = Dependent Children - chief beneficiary must be living miner (LM), living widow (LW), divorced widow (LX or X1 - X9).

W1-W9 = Divorced Spouse(s) - chief beneficiary must be

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living miner (LM).

T1 = Attorney Fee Award - when a lien is against the beneficiary's benefit payments (see [SUM](#)).

(7) Trans Type. The one character code used to select the desired function:

A = Enroll a Chief Beneficiary or Attorney.

B = Enroll a Split Payee.

C = Change Monthly Amounts and Status; Add/Change Dependents.

D = Change Name, Address, RP (representative payee), Mail Indicator and EFT Indicator; Change Tax ID and Tax Indicator data.

E = Change Benefit Type, MBO, Medical Offset Data, Responsible Operator ID and Date.

F = Pay/Change Supplemental (Lump Sum) Amount, Change Payee Name and/or Address for Next Pay Cycle Only.

G = Retired Beneficiary Account Lump Sum to Active Chief Beneficiary.

T = Transfer to EFT Update Screen.

(8) Name ID. The first four letters of the chief beneficiary's last name (the individual on whose claim this payment is based) are entered in this field. If the last name of the chief beneficiary is less than four letters, enter the full last name and leave the remaining spaces blank.

For Example: Jane Doe = D O E

(9) Bene Type. The single letter code of the source of benefit payments to the payee(s):

T = Trust Fund.

I = Interim Benefits.

R = Responsible Operator (RO).

B = Part B Beneficiary.

The "I" code is used to pay temporary benefits while an approved claim is pending a final decision. An "R" code shows that the RO has assumed responsibility for paying benefits and prevents any

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further payment from the ASP. RMO ID and RMO Date data fields must be completed when BENEFIT TYPE is "R" (see items 7.d(14)-(15) below).

(10) MBO. The single alpha code to identify medical benefits types:

Y = Yes - Medical Benefits Only (MBO).
N = No - Not an MBO beneficiary.
S = Suspend MBO.
T = Terminate MBO.
R = Reinstate MBO.

(11) Med Offset. The single alpha code that indicates a portion or all medical benefits are being paid by external sources (e.g., a state workers' compensation program):

Y = Yes - Total medical offset.
N = No - No medical offset.
P = Partial offset due to limitation(s) in dollar amount, and/or type of treatment covered.

(12) Med Offset Date. If applicable, enter the month and year in mm/yyyy format within which external sources cease to pay a miner beneficiary's medical benefits. For example, if June 30, 2015 is the date a miner beneficiary's medical offset ends, June 2015 (06/2015) is the date that would be recorded in this data field. (All bills with dates of service on or before June 30, 2015 would be denied, and all bills for covered expenses with dates of service on or after July 1, 2015 would be paid, as appropriate.)

If the medical offset field equals "Y" or "P", the Med Offset Date field must be completed with a valid date corresponding with or subsequent to the date of entitlement.

(13) Primary Lung. Enter "N" in this data field (completion is mandatory).

(14) RMO ID. If BENEFIT TYPE "T" (Trust Fund); enter "TF". If BENEFIT TYPE "R" (Responsible Mine Operator - RMO) or "I" (Interim Pay); enter the seven digit number assigned to the coal mine operator responsible for paying benefits in RO or interim pay cases. (This edits against the RO ID on the ROIC Master in DCMWC's ASP.)

(15) RMO Date. The date from which the RO begins payment of monthly benefits in mm/01/yyyy format. For cases in interim or trust fund pay, this date field will be blank.

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As a rule, the "RMO Date" is the month and year immediately preceding the date on the RO's first monthly benefit check. (The "RMO Date" is not the beneficiary's date of entitlement.)

For example: A miner filed in February 2009 and is approved, but the responsible operator contests the claim. The responsible operator finally agrees to commence monthly benefits and issues its first monthly payment in August 2013 (representing July 2013 benefits). Even though the payment may not be received until mid to late August, the "RMO date" would be 07/2013 because the month that the RO assumed liability for monthly payments was July 2013.

UNIQUE SITUATIONS: There may be a few instances where the date of entitlement and the "RMO date" are the same, e.g., conversion claims, where the RO actually issues a payment representing benefits due for the same month as the survivor's "application date."

Even if the RO payment is issued on a claim for which no continuing entitlement is appropriate, and the payment represents benefits due for a period of time ending in a month that is more than one month prior to the date of issuance, use the month/year prior to the date of issuance as the "RMO Date."

CAVEAT: The data entry field on the CM-1261 is in mm/dd/yyyy format. The default is the first day of the month; CORS will change all entries will show mm/01/yyyy.

(16) Claim App Date. This is the date in mm/dd/yyyy format of the claim application's initial receipt by a government office. CORS will enter the "Application Date" recorded on the "Claim Master" record. This field is for validation purposes only - it cannot be updated from the Benefit Master screen.

(17) Entitlement Date. Enter the date in mm/01/yyyy format from which benefits are payable (for an MBO beneficiary, 01/01/1974; and for claims put into interim pay, the month/year the Initial Determination letter was issued, until litigation sets the entitlement date). This date must match the ENTITLEMENT DATE recorded on the "Claim Master" record. This field is for validation purposes only - it cannot be updated from the Benefit Master screen.

NOTE: In items 7.d(18)-(28), only fields being updated will be completed; the unchanged fields are left blank. Claims staff will delete (or line through and initial) any data in fields where the correspondence system has entered unchanged data.

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(18) Name1/Name2. The payee's name: If the payee is other than the beneficiary (e.g., bank, attorney, guardian, etc.), enter the payee's name and designation on Name1 and "OBO" (On-Behalf-Of) followed by the beneficiary's name on Name2. (See [SUM](#)) For complete representative payee instructions, see PM Chapter 2-1407.

A match must exist between the beneficiary's name in the Name1/Name2 and Name ID data fields.

(19) Line1/Line2. Enter the street address with spaces between the address number, street name and appropriate abbreviated description for street (e.g., ST, BLVD, AVE, RD). If the address is for an apartment building, add the apartment number by entering APT and the number with a space in between. If the address is not a residence but a post office box (P O BOX), drawer, star route (SR), rural route (RR) or another similar mail collection location, enter a space between the designation and the number(s). Other than alpha and numeric characters, the system accepts a hyphen (-), a slash (/) and an ampersand (&) in the Line1/Line2 data field. Periods will not be accepted by the system.

(20) City. Enter the city name. Enter a space between each part of multi-named cities (e.g., Terre Haute).

Other than alpha and numeric characters, the system accepts a hyphen (-), a slash (/) and an ampersand (&) in the CITY data field.

(21) State. Enter the appropriate Federal Information Processing Standards (FIPS) alpha abbreviation for the state, territory, or foreign country. (Use the U. S. Postal Service [link](#) for the state/territory abbreviations or International Standards Organization (ISO) [link](#) for foreign country abbreviations.)

(22) ZIP. Enter the appropriate five or nine digit number (see the U.S. Postal Service [ZIP Code Directory](#)). In case of a foreign address, enter the three digit consular code in the appropriate field. (Refer to [SSA POMS](#) link for foreign consular codes.)

(23) Tax ID. The nine digit SSN for the person who will receive the benefits, or the employer identification number (EIN) obtained from [CM-910](#), Request to be Selected as Payee or the [CM-972](#), Application for Approval of a Representative's Fee.

(24) Tax Ind. The identifier of whether an SSN or EIN is

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entered in the Tax-ID data field:

S = SSN.

E = Employer identification number (EIN). Completion of the Tax-ID and Tax Ind data fields is mandatory when enrolling a "T2", "T3", or "T4" attorney or law firm on Transaction A, and a "T1" attorney on Transaction B for an attorney fee award.

(25) Rep Payee. One-character (Y or N) designating whether a representative payee has been approved in the claim: Y = Yes and N = No.

(26) EFT Ind. The appropriate code to distinguish direct deposit or check issuance:

N = Payment by paper check.

Y = Electronic deposit.

(27) Mail Ind. This code is no longer used; the system and correspondence system will default to "N".

(28) RAN. This is the Social Security Administration's related account number, if applicable, for Part B claims only.

(29) Lump Sum. Enter the amount of the lump sum to be issued. (The lump sum cannot exceed \$99,999.00.)

(30) Pay Monthly. Enter the monthly amount to be paid to the chief beneficiary and eligible dependents on this record, minus any offsets or overpayment amounts to be deducted from the Basic Benefit Amount (BBA). The total sum of the amount to be entered in this data field and, if applicable, amounts in the Monthly Offset and Overpay data fields, must equal the BBA (unless the state workers' compensation rate is greater than the BBA) for the chief beneficiary and eligible dependents named on this record.

(31) Starting. The current or future month and year in which benefits commence, as applicable, in mm/yyyy format.

(32) Adj Reason. The identifier of the change in the beneficiary's entitlement and/or payment status:

C = Start benefit payments. Change the BBA due to a monthly offset, an overpayment collection action or an "add or change" action in the dependency fields.

Reinstate benefit payments on a benefit record previously

suspended using an "A" Adj reason.

S = Suspend all benefit payments, both monthly and medical (when the latter is applicable), for reasons other than death, such as a change in entitlement status for a survivor chief beneficiary (e.g., widow remarried or for reasons associated with fraud).

On a chief beneficiary's record, use of an "S" code automatically suspends benefit payments and retires any split payee record associated with the chief beneficiary.

Use Reason code "R" to reinstate benefit payments when the benefit record is retired (see below).

Suspend benefits for MBO beneficiaries via Transaction Type E, all other beneficiaries via Transaction Type C, Reason "S".

A = Temporarily suspend monthly benefits due to incorrect address or banking information.

Suspension of a chief beneficiary's record with a Reason code "A" will not automatically suspend medical benefits or associated split payee record.

T = Terminate benefits for a chief beneficiary due to death. The date of death must also be entered on the "Claim Master" record.

Use of a "T" reason code on a chief beneficiary's record will automatically terminate any monetary payments to any split payees on the chief's record, retire the record and turn the EFT indicator off.

R = Reinstate payments for a previously terminated beneficiary. (See subsection 17.c of this Chapter for additional instructions and other data relevant to use of these codes.) This code is required for reinstating a "retired" benefit record.

N = Non-eligible - suspends payment of monthly benefits. This reason code is used for decision reversals and multiple chiefs where the beneficiary no longer meets the relationship and dependency requirements. It can be used to suspend medical benefits.

This code is also used to terminate a split record. The "Pay Monthly" amount must be all zeros. This will cause

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the split amount to return to the primary record. Adjust the dependent on the primary record (by "C" transaction) if no longer eligible.

P = Probable termination - temporarily suspends payment of benefits. It is used when the date of death has not been verified but should be retired before the end of the month. This code will retire the benefit record and place the account on the Monthly Monitoring report until the status is permanently resolved. Once the date of death is confirmed, the record will be terminated.

(33) Monthly Offset. If the chief beneficiary's benefits are totally or partially offset due to payments from an external source, enter the monthly offsetting amount (rounded to 10 cent increment per 725.533(d)) which may exceed/totally offset the BBA.

The amount entered in this field added to the PAY MONTHLY must be equal to or greater than the BBA for the chief beneficiary and eligible dependents named on the record.

(34) Offset Reason. The reason the BBA was offset:

S = State
F = Federal
E = Excess Earnings

(35) Overpay. If recoupment of monies owed the Trust Fund is to be automatically deducted from the beneficiary's monthly benefit payment, enter the amount of money to be deducted from the beneficiary's BBA.

For the system to accept this type of transaction, an accounts receivable must be established on the DCMWC's automated Black Lung Accounting System (BLAS) with account status "1".

Procedures relative to recoupment of overpayments are located in PM Chapter 2-1405, Underpayments/Overpayments and PM Chapter 5-300, Fiscal and Accounting Procedures.

Total amount(s) in the pay adjustment data fields (Pay Monthly, Monthly Offset and Overpay) must equal the total BBA unless a state workers' compensation payment exceeds the BBA.

Multiple pay adjustment lines are available on the system to add future adjustments to chief beneficiary records. NOTE: The system will automatically adjust the final payment when the receivable balance becomes less than the established overpayment

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offset.

To code future adjustments, repeat steps cited for items 7.d(30) through 7.d(35) above, when applicable, entering the month and year that the change in BBA is to occur in the Starting data field.

(36) Type. The appropriate two character alpha code that describes the dependent's relationship to the chief beneficiary:

LS = Living Spouse - chief beneficiary must be a living miner (LM).

L1-L9 = Dependent Children - chief beneficiary must be living miner (LM), living widow (LW), surviving divorced widow(s) (X1-X9) or surviving entitled "child" (L1-L9) claim types.

NOTE: Only a "D" disabled adult child (DAC) can be recorded as a dependent on a "child" beneficiary record; a "W" DAC cannot be a dependent on a "child" beneficiary record. See section 7.e(42) for additional information of DAC types.

Additionally, surviving adult children may be entered on the primary beneficiary record to release an underpayment on a deceased beneficiary's account.

W1-W9 = Divorced Spouse - chief beneficiary must be living miner (LM).

(37) F Name. The first name of the dependent for whom benefits are to be paid.

(38) MI. Middle initial of the dependent.

(39) L Name. The last name of the dependent.

(40) SSN. Social Security Number of dependent.

(41) DOB. The month, day and year of the dependent's birth in mm/dd/yyyy format.

(42) Status. The appropriate alpha code that describes the dependent's status for benefit augmentation:

E = Eligible (LS; W1-W9, L1-L9 up to age 18, unmarried and not disabled).

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S = Student (18 years of age up to 23, unmarried and a full-time student).

D = Disabled Adult Child (DAC); disabled before age 22 (also see subsection 9.a(2)(a)(viii) in this chapter). (See [20 CFR 410.370](#) for student exception.)

W = DAC; disabled at age 22 or later.

X = Ineligible (stops augmentation; dependent remains listed on "BENI" screen).

(43) DOD. Date of the dependent's death in mm/dd/yyyy format.

(44) CE. The customary signature of the claims staff who completes the CM-1261 (required on all transactions). If the claims staff person completing the CM-1261 is not a CE, that person must line through CE and add the appropriate initials of his/her job title (e.g. WCA = Workers' Compensation Assistant).

(45) Date. The date the claims staff completes the CM-1261.

(46) DD. The customary signature of the district director or designee who approves the CM-1261 transaction for processing. (Required on most transactions; see exceptions at sections 17.d, e & h in this chapter.)

NOTE: District office management should use discretion and set stronger signature requirements if deemed necessary to ensure proper completion of the CM-1261 and benefit updates.

(47) Date. The date the district director/designee approves/signs the CM-1261.

(48) DE. The customary signature of the person who enters the data on the benefit update (BENU) screen (required on all transactions).

(a) Prior to inputting data, the staff person will review the CM-1261 to ensure that any permissible changes are properly lined through and initialed by the claims staff that created the document. If the changes made are not permitted, the CM-1261 will be returned to the initiator with instructions to properly complete a new form. If the changes are permitted but not initialed, the CM-1261 will be returned to the initiator to be initialed. Refer to Section 20(f)(2) below regarding permissible changes.

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(b) If the system rejects the transaction, the data entry person reviews the CM-1261 to ensure data is entered on the "BENU" screen properly and corrects any keying errors.

(c) If the system continues to reject the transaction, the data entry person notes the reason(s) for rejection in the 'ERRORS' section on the CM-1261 and returns the CM-1261 to the claims staff that completed the form.

(49) Date. The data entry person enters the date the CM-1261 is returned to the claims staff for error correction or the date the system accepts the transaction. After an error has been corrected by the claims staff, items 7.d(44) through 7.d(47) above are repeated using the additional signature and date lines. Stamping the form "Processed" is optional.

8. Enrolling a Chief Beneficiary on the ASP for Payment of Benefits.

Basic information (e.g., Case ID, miner SSN, Part and chief type, claimant name and address, date of entitlement, and amount to be paid) is extracted from the beneficiary's record, entered on a CM-1261 using Transaction A and then keyed in the Automated Support Package (ASP) Benefit Master File via the "BENU" screen.

Descriptions of each data field on the CM-1261 are provided in section 7.d of this chapter. Procedures specific to CM-1261 completion for adding new and refiled claimants on the ASP Benefit Master File are outlined in subsection 17.a of this chapter and the [SUM](#).

Specific procedures for completion of a CM-1261 using Transaction B to enroll a Split Payee are outlined in subsection 17.b below and the [SUM](#).

9. Enrolling Survivors for Payment of Benefits Due on a Deceased Beneficiary's Record.

When a chief beneficiary dies, benefits may become due on the account because of a returned monthly benefit check, change of date of entitlement or a posthumous award of benefits. The underpayment is to be paid to the survivors in order of priority as explained in PM Chapter 2-1405 (Ref. [20 CFR 725.545.c](#)). If the deceased beneficiary was a miner covered for medical treatment, reimbursement for paid treatment costs may also be due.

a. Retired Chief Beneficiary on the Rolls - No Active Chief Beneficiary. Benefits become due on the account of an enrolled beneficiary where the beneficiary died before receiving the previous month's benefits and the payment is returned and canceled. When the claims staff has established the amount of benefits due and the number of survivors entitled to receive a portion of the benefits, CM-1261s need to be prepared to release the underpayment.

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(1) When multiple survivors are eligible to share any due benefits, the claims staff will gather the required information and *issue a check to each eligible survivor.*

(a) Each payment will require relationship documentation and the SSN of the survivor.

(2) If multiple checks are required to disburse the underpayment during any single week, prepare CM-1261s as follows. (If only one check will be released per week, follow instructions at section 9.c(1))

Note: The DOD must be removed from Claim Master.

(a) Reactivate the closed record: Transaction Code "C" is prepared using the Case ID, Miner's SSN, Part Type, Chief Type and Name ID from the established record.

(i) Pay Monthly field is adjusted to reflect the number of survivors to be added to the chief beneficiary account. For example, if the benefits are to be paid to two surviving children, the PAY MONTHLY field will reflect the current rate for a chief beneficiary plus two dependents. If three or more survivors are to be paid, the PAY MONTHLY field will reflect the current maximum rate payable.

(ii) Starting field will show the current month and year.

(iii) Adj Reason field will show "R" to reactivate the account.

(iv) Type field will be coded "L1-L9" depending on the number of survivors to be added. Survivors will be entered by using L1, L2, L3, etc., one for each survivor until the number of lines equals the number of survivors to be added. If a previous L1, L2, etc., is already on the record, use the next available L number. Do not re-use a number.

(v) F Name, MI and L Name fields enter the name of each survivor.

(vi) SSN field enter the SSN of the person who will receive the payment.

(vii) DOB field enter the birth date for each

"underpayment" survivor (L1-L9) that is to be added.

(viii) STATUS field enter "D" for each survivor that is added. "D" *must* be used; otherwise the system will not accept the addition and edit will occur.

(b) Create split benefit records to pay each survivor:

Transaction Code "B" is used to prepare an individual CM-1261 for each of the survivors (L1-L9) added on the previous CM-1261 discussed in subsection 9.a(2)(a)(iv) above. The Case ID, Miner SSN, Part Type, Chief Type and Name ID are completed as in subsection 9.a(2)(a) above. In addition, the Split Type is completed to establish a unique record for each survivor.

(i) Name1/Name2 field will be completed to show the survivor's name on the first line; OBO (on behalf of) followed by the deceased beneficiary's name and "deceased" on the second line.

(ii) Line1 will note "underpay mm/yyyy benefits".

(iii) Line2, City, State and ZIP fields will show the survivor's complete mailing address.

(iv) Tax ID will be the SSN of the person receiving the payment.

(v) Tax Ind will be "S"

(vi) Rep Payee, EFT and Mail Ind fields will default to "N".

(vii) Lump Sum will be entered for each survivor's portion of the due benefits.

(viii) Pay Monthly field will be completed as one dollar (1.00).

(ix) Starting field will be completed to show the current month and year.

(x) Adj Reason field will be completed with a "C".

(c) Close the primary benefit record: Transaction Code "C" is used to terminate the account. The Case ID, Miner SSN, Part Type, Chief Type and Name ID fields are completed from the established record.

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NOTE: DOD must be added to Claim Master before processing this Transaction C to terminate the record.

(i) Pay Monthly field will be the actual benefit amount minus one dollar for each split record.

(ii) Starting field is completed with the current month and year.

(iii) Adj Reason field is completed with a "T" to terminate the account. Once the chief beneficiary's record is terminated the entire record, including any split records, is retired.

(iv) The status field for each "underpayment" augmentee will be updated to "X". This will permit the record to be retired at the correct benefit rate minus one dollar for each of the split records.

(v) Submit CM-1261(s) for supervisory approval and data input.

b. Enrolling Survivors when the Chief Beneficiary is not on Rolls - Establishing a Record. In instances where the claim was not in payment status prior to the death of the chief beneficiary, a record with the chief beneficiary's name and other necessary information extracted from the record must be established before any benefits due may be paid to the survivors. Note: DOD must be removed from Claim Master.

Where only one check will be issued, this is accomplished on one Transaction "A" CM-1261 as follows:

(1) Create the benefit record: Transaction Code "A" is prepared in accordance with section 7 to include all the necessary data elements to add the record. This includes the Case ID, Miner SSN, Part Type, Chief Type, Name ID, Bene Type, MBO, Med Offset, Med Offset Date, Primary Lung, RMO ID, RMO Date, Claim App Date and Entitlement Date. The information necessary to complete these fields is extracted from the beneficiary's record.

(a) Name1/Name2, enter the survivor's name on NAME1; enter OBO, the beneficiary's name and "deceased" on NAME2.

(b) Line1 will note "benefits for mm/yy thru mm/yy"

(c) Line2, City, State and ZIP fields are completed using the survivor's address of record.

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(d) Tax ID will be the SSN of the person receiving the payment.

(e) Tax Ind will be "S"

(f) Rep Payee, EFT and Mail Ind fields will default to "N".

(g) Lump Sum. If a lump sum is to be paid to one eligible survivor, it can be entered with this transaction.

Note: If multiple payments will be released, refer to section 9.2(a) for instructions in creating split benefit records. This will require creating an active benefit record with the lump sum issued on split benefit records.

(h) Pay Monthly field is completed using the amount that would be payable on the account when any dependents are added to the primary account.

For example, if augmented benefits are due, this field would reflect the current rate payable for a chief beneficiary plus dependents. If three or more dependents are to be included then the field will reflect the current maximum rate payable.

Any eligible dependents will need to be added to the record as well.

(i) Starting field will show the current month and year.

(j) Adj Reason field will show "T".

(k) Type field will be coded according the section 7.d (36).

(l) F Name, MI and L Name fields will show first name, middle initial and last name(s) of each dependent.

(m) SSN field will show the SSN of each dependent.

(n) DOB field will show the dependent's birth date in MMDDYYYY format.

(o) Status field will be coded in accordance with section 7.d(42).

(p) Submit CM-1261(s) for supervisory approval and data

input.

c. Enrolling an Estate. When it is determined that benefits due a deceased beneficiary are payable to the estate of the beneficiary, the estate will be enrolled on the ASP.

(1) Retired Chief Beneficiary/No Active Chief Beneficiary Record. Note: DOD must be removed from Claim Master.

(a) Reactivate the benefit record: Transaction code "C" is prepared using the Case ID, Miner SSN, Part Type, Chief Type and Name ID from the established record.

(i) Pay Monthly field is completed to show the amount of monthly benefits that would currently be paid on the account.

(ii) Starting field is completed showing the current month and year.

(iii) Adj Reason field is completed showing "R" to reactivate/reinstate the account.

(b) Verify that EFT is turned off: If the EFT indicator is not set to "N", a Transaction code "D" is prepared using the Miner SSN, Chief Type and NAME ID from the established record. This should have happened automatically when the record was terminated.

(i) Mail Ind field will default to "N".

(c) Generate a lump sum payment: Transaction code "F" is used to designate the amount of the check to be issued the estate.

(i) Name1/Name2 fields. The first line of this field is completed to show the name of the person to whom the check is to be issued.

(ii) The second line will show "OBO" (on-behalf-of) followed by the chief beneficiary's name and "ESTATE". It is necessary that the chief beneficiary's name immediately follow "OBO" since the ASP scans this line and references "Claim Master". If no match with the chief beneficiary's name is found, an edit will occur and the record will not be processed.

NOTE: If releasing a single payment to a survivor,

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the second line will show "OBO" chief beneficiary, followed by "deceased".

(iii) Line1 will note "benefits for mm/yy thru mm/yy".

(iv) Line2, City, State and ZIP fields are completed to show the complete mailing address of the person to receive payment.

(v) Tax ID will be the EIN of the estate, or the SSN of the person receiving the payment.

(vi) Tax Ind will be "E" for EIN or "S" for person.

(vii) "Lump Sum" field will show the amount of payment to be made to the estate.

(d) Close the benefit record: Transaction Code "C" is used to terminate the account. The Case ID, Miner SSN, Part Type, Chief Type and Name ID fields are completed from the established record.

NOTE: DOD must be added to Claim Master before processing this Transaction C.

(i) Pay Monthly field will be the current benefit rate for the primary and any eligible dependents.

(ii) Starting field is completed with the current month and year.

(iii) ADJ REASON field is completed with a "T" to terminate the account.

(iv) Submit CM-1261 for supervisory approval and data input.

(2) Retired Chief Beneficiary/Active Chief Beneficiary Record.

When a payment needs to be made to the survivor of a chief beneficiary and monthly benefits currently are being paid to a survivor, Transaction code "G" is completed following the instructions in subsection 9.c(1)(b) & (c) above except that Name2 begins with "OAO" (on account of) instead of OBO. The active chief beneficiary record does not have to be retired nor the retired chief beneficiary reactivated.

Confirm that the EFT Indicator on the closed record is "N". This should have happened automatically when the record was

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terminated. If not, generate a Transaction "D" to change the EFT Ind to "N".

(3) Beneficiary Record not Established - Adding a Record. When the chief beneficiary dies prior to the claim being approved, it is necessary to establish a record for the chief beneficiary with the survivor or estate information. See section 9.b for Transaction "A" instructions.

(4) Treatment Reimbursement Check Issued to Deceased Miner and Returned. If a check was issued to a deceased miner for medical treatment reimbursement and the check is returned and canceled, the reimbursement now will be due the miner's survivor(s) or estate. However, this situation requires a manual payment action and cannot be re-issued using any of the above methods.

To reissue this payment to the survivor(s) or estate, a memo is prepared which shall contain the name, Case ID and SSN of the deceased miner, the amount and date of the check, the reason for return and a statement requesting that the check be manually reissued to a survivor, survivors or the estate. Form CM-1171 is completed with pertinent information about the check extracted from the "MBPS" screen and the name and address of the new payee(s). The CM-1171 must be signed by both the claims staff and the district director. The memo and properly signed CM-1171 are forwarded to: Branch of Accounting and Accountability (BAA), CHIEF, FISCAL OFFICER, for manual re-issuance of the check (see PM Chapter 5-300).

10. Enrolling Multiple Chiefs LW/LX for Payment of Benefits.

a. General Instructions.

(1) All Multiple Chief account records are to be maintained under the miner's SSN. The selected code for an LX who becomes a Multiple Chief beneficiary will be X1, or if there are other surviving divorced spouses, X2 through X9. On existing, denied LX claims, there is no need to change the type to X1-9, since the LX will not be paid. The codes X1-9 must be used to identify surviving divorced spouses as well as their dependents that ascend to the status of a chief beneficiary.

(2) If a surviving spouse or divorced spouse becomes ineligible (dies or remarries, for example) an eligible dependent may become chief beneficiary on the surviving spouse or divorced spouse's record. Set up the new chief with the next available increment of the Multiple Chief (X1-9) code; if the surviving divorced spouse was X1, the new chief will be X2. The next eligible

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surviving dependent of either the surviving spouse or divorced spouse ascending to chief beneficiary status will be listed as an X3 and so on.

(3) A surviving divorced spouse, like a surviving spouse, can have split records for several distributions of the monthly benefits.

b. Specific Instructions.

(1) New filing: If you have a situation in which the LW is a current beneficiary, and benefits are approved for an LX, take the following steps:

(a) Generate a CM-1261 to add a benefit record using the miner's SSN and claim type X1 with the appropriate benefit amount, considering the number of eligible dependents, if any. The claim TYPE for any such dependents must be different from the current LW's dependents.

(2) No benefit record exists: If you have a situation where no record exists on the automated system for any survivor, and you receive new applications from a widow and from a divorced spouse:

(a) If both claims are approved, generate CM-1261 to add benefit records for both the LW and X1 under the miner's SSN and claim TYPE as above.

(3) Successor dependent: If you have two chiefs, an LW and an X1 receiving full benefits, and one of them is succeeded by an dependent:

a. Retire the LW or X1 chief record, as appropriate, by preparing a CM-1261 with an adjustment reason of "T", if death is the reason, "N" if reversal, or "S" if remarriage or other non-entitlement factor is the reason.

b. If the successor dependent is approved for benefits, generate a CM-1261 to add a benefit record for the eligible dependent under the miner's SSN using claim type "X2". If the X2 is one of several dependent children, remember to establish the chief beneficiary as the dependent with the longest potential period of entitlement.

11. Enrolling a Representative Payee.

When the District Director approves the selection of a representative payee, the CM-1261 will be prepared as follows:

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a. Adding a Representative Payee: If the chief beneficiary is already on the ASP Master Benefit file, the claims staff needs to generate a CM-1261 transaction code "D" to make changes to the benefit master record.

(1) The Name1 field must reflect the name of the representative payee followed by "REP PAYEE" (ref. PM Exhibit 97, data field 18). If there is insufficient space, "RP" can be used for "REP PAYEE".

(2) The Name2 field must reflect the beneficiary's name preceded by "OBO" (on-behalf-of).

(3) The representative payee's address must be entered in the Line1/Line2, City, State and ZIP fields.

(4) Update the Rep Payee Indicator to "Y".

(5) Tax ID will be the SSN of the person, or the EIN of the facility, receiving the payment.

(6) Tax Ind will be "S" for an individual or "E" for a facility.

(7) Submit CM-1261 for supervisory approval, if required, and data input.

For precise instructions on preparing form CM-1261 for representative payee accounts see PM Chapter 2-1407.

b. New record with Representative Payee: If a new chief beneficiary is being enrolled with a representative payee, the claims staff needs to generate CM-1261, transaction code "A".

(1) Create a new chief beneficiary's payment record on ASP Master Benefits File via a CM-1261, transaction "A".

(2) Transaction Code "A" is prepared in accordance with section 9 (above), to include all the necessary data elements to add the record. This includes the Case ID, Miner SSN, Part Type; Chief Type, Name ID, Bene Type, MBO, Med Offset, Med Offset Date, Primary Lung, RMO ID, RMO Date, Claim App Date and Entitlement Date. The information necessary to complete these fields is extracted from the beneficiary's record.

(a) Name1/Name2, enter the rep payee's name on Name1 followed by "REP PAYEE" (or RP if space is limited); enter OBO and the beneficiary's name on Name2.

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- (b) Line1/Line2, City, State and ZIP fields are completed using the Rep Payee's address of record.
- c. Change Rep Payee Ind to "Y" and EFT Ind as needed; Mail Ind field will default to "N".
- d. Tax ID will be the SSN of the person receiving the payment (the beneficiary or representative payee) or the EIN of the facility.
- (e) Tax Ind will be "S" for a person or "E" for a facility.
- (f) If a lump sum is due, it can also be entered with this transaction.
- (g) Pay Monthly field is completed using the amount that would be payable on the account when the eligible dependents are added to the account, including the chief beneficiary.
- (h) Starting field will show the current month and year.
- (i) Adj Reason field will show "C" to indicate "current/continuing" benefits.
- (j) The remainder of the form will be completed following the instructions outlined in subsection 7.d(33-49) of this chapter.
- (k) Submit CM-1261 for supervisory approval and data input.

12. Enrolling Attorneys for Payment of Attorney Fee Awards.

In order to establish a record for payment of a fee awarded to an attorney, a record for the primary beneficiary must exist on the ASP's benefit payment subsystem. Data is extracted from the beneficiary's claim record and entered on the CM-1261 for either making an attorney fee payment from the Black Lung Disability Trust Fund (BLDTF) or for creating a lien against the beneficiary's benefits. The current maximum attorney fee payable on a single account is \$30,000. This includes the collective total of separate fee awards on the same account or claim number. And, as with other records, only one lump sum payment can be released in any one week.

a. Trust Fund Liability for Payment of Attorney Fees.

- (1) Payment of Fee Awards to the Attorney. Trust Fund fee awards are paid in lump sum amounts by enrolling attorneys as

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chief beneficiaries on the beneficiary's benefit payment record via transaction "A" on the "BENU" screen. Up to three attorneys can be paid lump sum awards on the same beneficiary's record (T2, T3 and T4). The name and address of each attorney enrolled must be unique. In the event more than one fee is awarded to the same attorney (e.g. at the Benefits Review Board (BRB) and Office of Administrative Law Judge (OALJ) levels), a transaction "F" is required for each subsequent lump sum payment. The chief beneficiary record need not be active.

(2) Payment to the Internal Revenue Service on Behalf of an Attorney. There are instances in which the Internal Revenue Service (IRS) has placed a lien against an attorney and as a result, has requested that DCMWC forward any payments due the attorney directly to them. In those cases, the attorney fee payments must be addressed as indicated below:

Internal Revenue Service
OBO Attorney's Name _ _ _ _
100 Somewhere St.
Anyplace, PA 12345

The four blanks after the second line of the address are to be completed with the first four letters of the chief beneficiary's last name. The notice of lien will specify the address where checks will be sent.

b. Beneficiary's Responsibility for Payment of Attorney Fees. In cases in which the beneficiary is obligated to pay the attorney's fee, the amount of the fee awarded to the attorney may be made a lien against the benefits awarded to the beneficiary. In such cases, the attorney is enrolled as a split payee using transaction "B" as Split T1.

(1) Liens Involving a Lump Sum Award. In the case of a lump sum award, a transaction "F" to issue a lump sum to be deducted from the represented beneficiary's benefit accrual is required subsequent to enrolling an attorney via transaction "B".

(2) Liens Involving Monthly Benefit Deductions. In cases in which an attorney fee is deducted from a beneficiary's monthly compensation, the claims staff needs to diary the record for payment completion on the automated CAPS using the diary call-up function under the "NOTES" screen. At the time the attorney's fee is paid in full, a "C" transaction on the split payee record for the attorney is required to terminate payments to the attorney. When a termination action is processed on the split payee record, the system automatically returns the amount of money allocated to the attorney to the beneficiary's record for

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subsequent payment to the chief beneficiary. Additional guidelines regarding completion of the CM-1261 for payment of attorney fee awards are included in sections 7, 17.a, 17.b and 17.f.

13. Enrolling a Commercial Entity for Payment of Documents from the BLDTF. Occasionally during the course of claims development or maintenance, evidentiary proof must be obtained from sources which will *not* provide the information without a fee. The Trust Fund can pay reasonable costs for urgently needed documents when there is no other person or entity to bear the costs. This situation may occur when the beneficiary is deceased and there are no survivors to pursue the claim or be responsible for any overpayment. One example is when claims staff needs to secure a death certificate to determine termination of entitlement.

a. CM-1261 Completion Procedures.

(1) T4 Claim Type: To make payments, a T4 claim type account must be created via the CM-1261.

(2) An "A" transaction must be executed for the lump sum payment, not to exceed \$25.00.

(3) The first line of the Name1/Name2 field must be that of the entity supplying the document. The second line must show "OBO" followed by the beneficiary's name.

(4) The address must be the street address of the DCMWC office preparing the CM-1261, so that the check is sent to the office and the payment can subsequently be sent with the request for the document.

(5) The Tax ID and the Tax Ind data fields must be completed. The Tax ID number must be that of the entity supplying the document and must be obtained from that office.

b. Certified Mail. Payment must be sent with the request for the document via certified mail for proof of mailing should follow-up become necessary.

14. Adjusting Benefit Payment Records on the ASP.

Adjustments to payment records existing on the ASP Benefit Master file are accomplished through the use of various functions on the Claimant and Processing Subsystem (CAPS). Data extracted from the beneficiary's administrative claim record is entered on the CM-1261 or the CM-1261A keychange form (available from the automated correspondence system) depending on the type of record adjustment needed. Data on these forms is keyed on-

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line via the "BENU" or "KEYC" screens to update the record appropriately.

a. Adjustments Made Via the CM-1261. There are seven transaction types available that allow changes to be made via the CM-1261 to an already existing record on "BENU". Each transaction type allows access to certain data fields. Which data field(s) needs to be changed determines what transaction type is used. All transaction types require that the Case ID, Miner SSN, Part Type, Chief Type, Trans Type and Name ID fields be completed to access the proper record on "BENU". If a split payee record is to be processed, the Split Type field must also be completed.

(1) Transaction "C" - Primarily used to adjust payment amounts, and to suspend, terminate or reinstate benefit payments. Dependents may be added or their status changed. Transaction "C" allows only the Pay Monthly, Starting, Adj Reason, Monthly Offset, Offset Reason, Overpay, Dependent Type and Status fields to be changed. See subsection 17.c of this Chapter for special instructions and other relevant data regarding use of transaction "C".

(2) Transaction "D" - Primarily used to change a chief beneficiary or split payee address on the Benefit Master. It may also be used to correct the Rep Payee, Mail Ind or EFT Ind fields or the Tax ID and Tax Ind fields. Transaction D allows access to only the Name1/Name2, Line1/Line2, City, State, ZIP, Rep Payee Ind, Mail Ind, EFT Ind, Tax ID, and Tax Ind fields.

When a Rep Payee is assigned, NAME1 will be the name of the appointed representative followed by Rep Payee. In such cases, the second line must contain "OBO" (on behalf of) followed by the name of the chief beneficiary or split payee. When changing a split payee's address, the Split Type field must be completed so only the split payee's record is accessed and changed. See subsection 17.d of this chapter for special instructions and other relevant data regarding the use of transaction "D".

(3) Transaction "E" - Primarily used to change the Benefit Type, and to add/correct the RMO ID, RMO Date and Medical Offset Date. Transaction "E" is also used to adjust the MBO, Med Offset Date and Primary Lung fields.

Transaction "E" is used to terminate a MBO beneficiary. A "T" is placed in the MBO data field once the miner's date of death has been entered on "Claim Master" (See [SUM](#) for access to "Claim Master"). This action terminates the record but allows medical bills to be paid up to the date of the miner's death. See SUM and subsection 17.e of this Chapter for special instructions and other relevant data regarding use of transaction "E".

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(4) Transaction "F" - Used to pay supplemental lump sum awards for attorney fees (even on retired chief beneficiary records) and underpayments. Also allows a *temporary* change of address for issuance of a lump sum payment or underpayment. Transaction "F" allows access to the Name1/Name2, Line1/Line2, City, State, ZIP, Tax ID, Tax Ind and Lump Sum fields.

When transaction "F" is used to pay a supplemental lump sum or underpayment from the established record to a party other than the beneficiary, the beneficiary's name must appear on the second line of the NAME1/NAME2 field preceded by "OBO" (on-behalf-of). The beneficiary's record will remain unchanged and only the lump sum will be sent to the name and/or address entered on transaction "F". See subsections 17.f & g of this chapter for special instructions and other relevant data regarding the use of transaction "F".

NOTE: EFT indicator cannot be changed in an "F" Transaction; this must be processed via a "D" Transaction prior to the "F" Transaction.

(5) Transaction "G" - Used to pay an underpayment to a survivor on a retired account where there is an active chief beneficiary - see subsection 17.g.

(6) Transaction "T" - Used exclusively to add or update banking information on the EFT screen - see subsection 17.h above.

15. System Edits Applicable to Enrollments for Payment and Adjustments.
The ADP system will not accept a transaction if the required fields on the CM-1261 are not completed. In these cases an edit error code will appear on the BENU screen. The data entry person will note the edit code on the CM-1261 and return it to the claims staff for correction (see [SUM](#) for BENU Error Messages).

16. Preparing the CM-1261A Keychange Form.
"KEYC" (keychange) on the ASP Benefit Master File means altering the claim identification data on the record. This may become necessary because of an incorrect SSN or an incorrect part or claim type and split payee (CT/ST) on the claimant and/or benefit master record.

a. Maintaining the Claim (CAPS) and Benefit (DBPS) Master Files.
The claimant and benefit files are maintained independently by entering the proper code on the keychange form (CM-1261A); using "C" for claim and "B" for benefit, the claims staff will gain access to only one record at a time. It is important to remember that the claim

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identifiers for the Claim Master file are miner SSN and claim type. The benefit identifiers for the Benefit Master file are miner SSN, chief beneficiary type and split payee type.

b. Interaction between CAPS and DBPS. Although a keychange can be made to only one record at a time, some interaction between and within CAPS and DBPS will occur as described below:

(1) When a claimant file key (SSN and/or claim type) is changed and there exists a benefit file with the same key, the benefit file, including all split payees, will be suspended and a message will be displayed to the user advising that a benefit file with the "old" key exists.

(2) When a claimant file key is changed, the change is applied to only the specified SSN/CT.

(3) When a chief beneficiary key (SSN and/or claim type) is changed, the keys of any split payee file(s) associated with that chief beneficiary will not be changed, but the split payee file(s) will be suspended and a message will be displayed to the user advising that a benefit file with the "old" key exists.

(4) When a split payee key is changed to a new split payee type, the new type must be a valid and eligible dependent on the chief beneficiary's benefit file.

(5) When a split payee key is changed to a chief beneficiary, the new chief beneficiary key must have a matching, approved claim record on file.

c. Adjustments Made Via the CM-1261A. Adjustments requiring keychange actions, e.g., changes to the miner SSN and/or claim type on existing records, are accomplished through the access and use of the system's "KEYC" screen.

(1) File. Enter the character code "C" for claim file or "B" for benefit file. By utilizing the "KEYC" screen, the claim staff may change the miner's SSN and/or claim type (CT) in the claimant file ("CLAIM MASTER", "TRKI", etc.), or the miner's SSN and/or chief type and/or split payee type in the benefit file (as long as the change does not duplicate an existing entry) and the Case ID. Since the claimant and benefit files are maintained independently, the claims staff can gain access to only one file at a time. If key changes are needed in both claimant and benefit files for the same SSN, a completed CM-1261A is required to change each record.

(2) Old SSN. Enter the currently recorded SSN in the file

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being changed.

- (3) New SSN. Enter the correct SSN in the file being changed.

When there exists a benefit file with the same key (SSN and/or CT), the benefit file, including all split payees, will be suspended. A message will be displayed to the user advising that a benefit file with the "old" key exists. Therefore, a separate keychange is required to change all associated benefit record SSN/CT's.

- (4) Old Claims Type (CT) or Chief Benefit Type (BT). Enter the currently recorded claim type on claimant file ("CLAIM MASTER", "TRKI" screens), or chief beneficiary's claim type on benefit file ("BENU", "BENI" screens).

- (5) New CT or Chief BT. Enter the correct claim type or the chief beneficiary's correct claim type on the claimant/benefit file respectively. When the claim type key (CT) is changed on the claimant file, the change is applied to all claim records with the same specified claim type ("CLAIM MASTER", "TRKI", etc.). If there is already a benefit record for the chief beneficiary under the same key, the benefit record, including all split payees, will be suspended. A message will be displayed to the user advising that a benefit record with the "old" key exists.

When a chief beneficiary's claim type key (e.g., LM, LW code identifying the chief beneficiary's relationship to the number) on the benefit file is changed, the keys of any associated split payee record will not be changed, but the split payee benefit record(s) will be suspended. Therefore, a separate keychange is required to change the split payee's on his/her benefit records.

- (6) Old Split Payee Type. Enter the currently recorded split payee type (e.g. LS, L1-L9, T1, etc.) on the benefit file.

- (7) New Split Payee Type. Enter the correct split payee type (e.g., LS, X1-X9, T1, etc.) on the claimant/benefit file. When a split payee key is changed to a new split payee type, the new type must be a valid and eligible dependent listed on the chief beneficiary's benefit file.

- (8) Last Name Check. Enter the four character name identification currently recorded on CAPS/DBPS files.

- (9) CE. The customary signature of the claims staff who completes the CM-1261A is entered.

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(10) Date. The claims staff enters the date the CM-1261A is completed.

(11) DD. The signature of the district director or designee who approves the CM-1261A transaction is entered.

(12) Date. The district director or designee enters the date he/she approves the CM-1261A transaction.

17. Special Instructions for Transactions A-T.

a. Transaction A (second level reviewer's signature required).

(1) Attorney Enrollment (also see section 9 in this Chapter).

(a) To enroll an attorney for payment of an attorney's fee award, the chief beneficiary must be enrolled on the DCMWC's ASP benefit master file although the chief beneficiary account need not be active.

(b) Up to three attorneys may be enrolled on the same record as an associated chief beneficiary. Assign a unique code, that is, T2, T3, or T4, in consecutive number order to each attorney enrolled on the same associated chief beneficiary's record.

(2) Chief Beneficiaries Other than T2, T3 or T4.

(a) In order to enroll chief beneficiaries other than T2, T3 or T4 on the DCMWC's ASP Benefit Master File:

(i) The chief beneficiary to be enrolled must be enrolled on Claim Master.

(ii) The benefit record for any previous chief beneficiary must be retired on the Benefit Master File with an Adj Reason code "T" or "N".

(iii) If the chief beneficiary is other than the miner, the miner's date of death must be recorded on the corresponding claim record for the chief beneficiary.

(b) When benefits are to be paid on behalf of dependent surviving children, the L1 will be the dependent that will remain on the record the longest. The L1 is usually the youngest child, but not always. If there is a DAC as a dependent, then the DAC would be the L1 record.

(c) One "A" Transaction can be generated to enroll beneficiaries whose benefits are to be paid to a representative payee, survivor, estate, etc.

(i) Generate Transaction "A" to enter the "payee's" name on Name1 line and chief beneficiary's name on Name2 data field. The Name2 entry must match the Claim Master screen for all chief beneficiaries.

(ii) Transaction "T" is also generated if payments are to be sent electronically to a financial institution.

(d) The correspondence system will enter zeroes in the Pay Monthly data field when the chief beneficiary's record involves a total offset and/or total reduction in benefit payments due to collection of an overpayment. Pay Monthly, Monthly Offset and Overpay amounts in their respective data fields must equal total BBA, or greater when offset exceeds the BBA.

Mandatory Data Elements - Chief Beneficiary Enrollment Other than T2, T3 or T4: Case ID, Page Number, Part Type, Transaction Type, Miner SSN, Chief Type, Name ID, Bene Type, MBO, Med Offset Date, Primary Lung, RMO ID, Claim App Date, Entitlement Date, Name1/Name2, Line1/Line2, City, State, ZIP, Tax ID, Tax Ind, Mail Ind and EFT Ind.

Mandatory Data Elements - Attorney Enrollment for Attorney Fee Awards: Case ID, Page Number, Transaction Type, Miner SSN, Part Type, Chief Type, Name ID, Name1/Name2, Line1/Line2, City, State, ZIP, Tax ID, Tax Ind, Pay Monthly, Starting and Adj Reason for monthly adjustment.

Optional Data Elements: Med Offset Date, RMO Date, Lump Sum and Dependent data fields.

b. Transaction B (second level reviewer's signature required).

(1) In order to enroll a split payee, the associated chief beneficiary's record must be in active status showing the individual who is to be made a split payee as an eligible dependent. Exception: T1 attorney can be enrolled as a split on the chief beneficiary record without being added in the dependent fields.

(2) The Starting date entered on a split payee record must be the current month/year. The date cannot be earlier than the

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Starting date on the chief beneficiary's record.

(3) Enrolling a split payee for monthly benefits will automatically reduce the chief beneficiary's monthly payment amount by the amount the split payee is paid.

(4) Enter zeros in the Pay Monthly data field when corresponding Adj Reason code is "N" (Not eligible), "S" (suspension) or "A" (suspension for bad address). This will cause the split amount to automatically increase the primary record. ADJUST THE PRIMARY RECORD IF NEEDED.

(5) A lump sum can be released with the initial B transaction; a lump sum on an established split payee record must be entered on a transaction F.

(6) No future adjustments can be entered on transaction B. Use claimant call up report through the CAPS subsystem to review and initiate adjustments to payments. See [SUM](#) for instructions on access.

Mandatory Data Elements: Case ID, Page Number, Part Type, Transaction Type, Miner SSN, Chief Type, Name ID, Split Type, Name1/Name2, Line1/Line2, City, State, ZIP, Tax ID, Tax Ind and Lump Sum (if applicable).

c. Transaction C (second level reviewer's signature required).

(1) Pay adjustment lines 2 and 3 on the CM-1261 can be completed to reflect future changes in Trust Fund and Interim Benefit pay status. An unlimited number of monetary adjustments may be made on a chief beneficiary's record.

(2) The automated system will not accept a duplicate Starting date on the benefit record.

(3) A terminated record will be displayed as "retired" on the BENI screen.

(4) Termination of a chief beneficiary's record will automatically terminate associated split payee records.

(5) Termination of a split payee record will not automatically terminate an associated chief beneficiary's record; however, the amount in the Pay Monthly data field on the split payee's record will automatically revert back to the Pay Monthly data field on the associated chief beneficiary's record. The primary record must be adjusted to change the BBA and status of augmentees.

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- (6) A dependent who is a split payee may not be deleted from a chief beneficiary's record.
- (7) To mark a dependent as ineligible, enter an "X" in the Status data field on the chief beneficiary's record. This will end the dependent's augmentation on the record.
- (8) A suspended record via "A" Adj Reason will remain as an "active" record on the BENI screen and list on the monthly monitoring report.
- (9) Suspension of a chief beneficiary's record with an Adj Reason code "A" (benefits are suspended due to incorrect mailing address or issues with bank information) will not automatically suspend medical benefits or associated split payee records.
- (10) Suspension of a Split Payee's record with an Adj Reason code "A" or "S" will not suspend an associated chief beneficiary's record.
- (11) Suspension of a chief beneficiary's record with a pay monthly Adj Reason code "S" will automatically suspend associated split payee records. This transaction will not cause the claim to list on the monthly monitoring report.
- (12) To suspend or terminate benefit payments to, or on behalf of, MBO beneficiaries, access transaction E (see subsection 17.e below).
- (13) To suspend or terminate benefit payments for all non-MBO beneficiaries, use transaction C with reason codes "N", "S", "P", or "T" regardless of the current determination basis code on the Claim Master record. Reason "T" requires a date of death on the Claim Master record.

Mandatory Data Elements: Case ID, Page Number, Part Type, Transaction Type, Miner SSN, Chief Type, Name ID, Split Type (if update applies to a split payee record), Pay Monthly, Starting and Adj Reason.

Optional Data Elements: Monthly Offset, Offset Reason, Overpay and dependent status fields.

- d. Transaction D (second level reviewer's signature not required).

NOTE: District office management should use discretion and set stronger signature requirements if deemed necessary to ensure proper completion of the CM-1261 and benefit updates.

- (1) Change in name and/or address using transaction D results

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in a permanent change to the beneficiary's records on the Benefit Master File. Use transaction F for temporary change in name and/or address for lump sum payments.

(2) When it is necessary to correct the Tax ID and/or Tax Ind fields on an attorney record, the BENU is accessed and corrected via transaction D.

Mandatory Data Elements: Case ID, Page Number, Part Type, Transaction Type, Miner SSN, Chief Type, Name ID and Split Type if this change applies to a split payee record. Additionally, any individual fields requiring updating must be completed.

Optional Data Elements: Name and address fields are optional; Rep Payee, Tax ID, Tax Ind, EFT and Mail Indicators are also optional; any individual field requiring update must be completed.

e. Transaction E. (Second level reviewer's signature not required).

NOTE: District office management should use discretion and set stronger signature requirements if deemed necessary to ensure proper completion of the CM-1261 and benefit updates.

(1) Changes entered on a chief beneficiary's record will automatically change all records (including records for attorneys enrolled as chief beneficiaries) on the Benefit Master file under the same SSN.

(2) Changing the Benefit Type (Bene Type) from "I" to "R" will automatically terminate interim payment checks.

(3) In order to terminate benefits for an MBO beneficiary, the miner's date of death must be recorded on Claim Master screen.

(4) If a Medical Offset flag equals "Y" or "P", all zeroes (000) or a valid month/year date must be entered in the Med Offset Date data field.

(5) The date entered in the Med Offset Date data field is to represent the month, day and year within which a medical offset is to end. For example, if a miner's medical offset ends September 30, 2015, 09/30/2015 is the date that is to be entered in the Med Offset Date data field. Bills with dates of service on or before September 30, 2015, would be denied; bills for covered services with dates of service equal or subsequent to October 1, 2015, would be paid.

(6) The date entered in the RMO Date data field must equal the month and year the RMO accepts liability for payment. For

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example, a check an RMO issues in July 2015 represents the benefit payment for the month of June; therefore, June 01, 2015 (06/01/2015) would be entered in the RMO Date data field.

Mandatory Data Elements: Case ID, Page Number, Part Type, Transaction Type, Miner SSN, Chief Type and Name ID. Claim App Date and Entitlement Date are required on the form for validation purposes.

Optional Data Elements: Bene Type, MBO, Med Offset, Med Offset Date, Primary Lung, RMO ID and RMO Date.

f. Transaction F (second level reviewer's signature required).

(1) Generally, only one lump sum may be issued on any primary benefit record within the same processing week.

(2) A name and/or address change entered on transaction F is for the lump sum payment only. This is only a temporary address change. Although the address is recorded in the Payment History Records, the address on the beneficiary's Benefit Master File remains unchanged and continues to be displayed on the Benefit Master screen.

(3) Pay an underpayment to one individual on the beneficiary's record using Transaction F. See subsection g below for lump sum payment to an eligible survivor on a retired account with an active chief beneficiary.

(4) NOTE: Check the EFT Ind to ensure that it is "N". To disable electronic funds transfer (EFT), use transaction D or T and enter EFT Ind "N" prior to using transaction F to issue a lump sum payment by paper check.

NOTE: Disabling EFT affects both lump sums and monthly payments issued in the same week. To re-enable EFT, after the payment is released (e.g., in a following week), the EFT Ind must be changed from "N" to "Y" and any changes to the EFT record entered.

(5) Payment of an underpayment to two or more survivors in the same week requires special completion of a series of CM-1261s. See section 9 of this Chapter above for detailed instructions.

Mandatory Data Elements: Case ID, Page Number, Part Type, Transaction Type, Miner SSN, Chief Type, Name ID and Lump Sum (Split Type is mandatory if payment is being made to split payees).

Optional Data Items: Name1/Name2, Line1/Line2, City, State, ZIP, Tax ID and Tax Ind.

Miscellaneous.

(1) Multiple lump sum payments may be displayed on the Benefit Master screen. These payments represent the most recent lump sum amounts entered in the system. If more than the listed lump sums have been issued, a scrolling capability is provided.

(2) The designations listed below and displayed to the right of the lump sum amount on the Benefit Master screen denote the following:

(a) Zeroes (00) = payment was input in the current week and will be processed in the next week end cycle.

(b) Month/day/year = Pay processing cycle when the check record was created - not necessarily the month/year that the check was issued by the U.S. Department of Treasury. The check issue date can be located in the Payment History Records.

g. Transaction G (second level reviewer's signature required). This transaction type can be used to pay a lump sum on a retired chief account when there is an active chief beneficiary on the roll.

(1) Prepare as with Transaction F with the exception noted in 9.c(2) above.

Mandatory Data Elements: Case ID, Page Number, Part Type, Transaction Type, Miner SSN, Chief Type, Name ID, Name1/Name2, Line1/Line2, City, State, ZIP, Tax ID, Tax Ind and Lump Sum.

h. Transaction T (second level reviewer's signature not required). To establish or update banking information for electronic funds transfer.

NOTE: District office management should use discretion and set stronger signature requirements if deemed necessary to ensure proper completion of the CM-1261 and benefit updates.

Mandatory Data Elements: Case ID, Page Number, Part Type, Transaction Type, Miner SSN, Chief Type, Split Type if applicable EFT Ind, Acct Name, Acct Type, Acct No., Routing No.

Optional Elements: FI Name, Addr 1, Addr 2, City, State, ZIP, FI Contact, FI Phone. NOTE: Although these fields are not required to establish a record, if the information is available, the information must be posted to the record.

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18. Processing Claims under National Office's Jurisdiction.

- a. Foreign Claims. National Office (NO) staff will follow the same procedures for preparing CM-1261s as outlined in this chapter when initiating or updating a benefit record for a beneficiary residing outside the United States.
- b. Claims Pending Litigation. The Branch of Standards, Regulation and Procedures, Claims Support Section (CSS) is responsible for benefit transactions when the claim is tracked to location "05". Claims staff will follow the procedures outlined in this chapter.
- c. NO/CSS Approving Official, Branch Chief or Their Designee. Follow the procedures outlined in this chapter.
- d. NO/CSS Data Entry Person. Follow the procedures outlined in this chapter.

19. Balancing Weekly Benefit Transaction History Reports and Actual Input Documents.

Transaction balancing audit procedures described below have been developed to ensure that only authorized benefit payment actions are processed and to prevent erroneous payments. Audit methodology allows the reviewer to balance various reports that display processed transactions with the actual input documents and provides actions to be taken when reports and input forms match or do not match. These instructions also provide a time-frame in which to complete the entire Transaction Balancing process.

- a. Processing Week: Monday - Friday. (Saturday, only in special circumstances).
- b. Processing Month: Calendar Month - the first through the last working day of the month. The only exception is that the Part B "end of the month" is always *prior* to the last working day of the month. Part B monthly checks are issued on or about the third of the month and the earlier "end of the month" date allows for the payments to be certified to Treasury early enough to allow them to be issued timely.
- c. Performing the Transaction Balancing: The balancer (person reviewing the reports and data input documents) must be a person who has not initiated, completed, signed, counter-signed or input a CM-1261 or other data input form slated for review.

If the balancer finds that he/she initiated, completed, signed, counter-signed or input a CM-1261 or other data input form being reviewed, he/she should note such and refer the document and corresponding report page to an individual who was not involved in any aspect of creating, reviewing or inputting the document. That person will review the document pursuant to the instructions contained in this

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Section

d. Timeframe for Performing Transaction Balancing: The balancer will review the reports and corresponding original input documents as early as possible following input. Staff responsible for inputting CM-1261s and/or other data input forms MUST complete their actions (such as scanning the documents into OIS and performing a preliminary review) and deliver the original documents to the balancer as soon as possible preferably in the week following input. However in cases of low risk for erroneous payments the balancer may agree to accept documents that can be balanced within 30 days of input.

The balancer must review the original CM-1261s and/or other data input forms and compare them to the Transaction Balance History Reports as described below so that the correction of errors can be accomplished and all transactions verified and certified as correct by close of business no later than the thirtieth day following input.

e. Action if the Transaction Balancing Process Cannot Be Completed in the Allotted Time: If an office is unable to complete the entire Transaction Balancing process within the allotted time-frame as described above, because of a lack of staffing or other hindrance that prevents the participation of employees with the required status to complete the entire process, Regional Directors are authorized to extend the completion date by an additional week, upon the request of District Office management. For audit purposes, the request, reason and permission for an extension must be documented and preserved with the balancing documentation.

f. The Balancer Verify/Certify the CM-1261s and Reports Agree: Verification/certification should be accomplished via the Transaction Balancing Verification/Certification document (Exhibit 100) that is completed, signed and dated by the balancer. Any errors and their corresponding corrections should be noted on the Payments Error Reconciliation Report (Exhibit 101) and should include certification that the correction was made and the date made. These documents should be placed in the folder with the corresponding report and input documents. If no discrepancies are noted on the Transaction Balancing Verification/Certification document, completion of the Payments Reconciliation document is not necessary.

Separate Verifications/Certifications and Payments Reconciliations forms must be completed, signed and dated for each report; they cannot be combined.

g. Weekly Reports: Every week, each office will retrieve six reports from the CAPS Report Subsystem. A Part B report and a Part C report will be obtained for each report category: Supplemental Payments Report, Transaction History Report and Claim and Benefit Key

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Change Report

h. Supplemental Payments Report: This report details the retroactive payments processed by each office during the week indicated

(1) The balancer must review the original CM-1261 input for each payment record listed on the Part B and Part C Supplemental Payment Reports and must ensure that there are no discrepancies between the payment record noted on the report and the original CM-1261. The original CM-1261s representing amounts appearing on these reports will be located in the Transaction Balancing packet.

(2) Refer to the details under the Transaction History Report section below for what is deemed acceptable vs. not acceptable on various transactions and the means to correct and/or report any discrepancies found.

(3) If there are no discrepancies, the original CM-1261s and reports should be filed for future audit and annual accountability reviews along with the other five reports.

i. Transaction History Report: This report details all processed transactions for a particular processing week. It lists what was keyed, when and by whom.

(1) The balancer must review the original CM-1261 input for each payment record listed on the Part B and Part C Transaction History reports and ensure that there are no discrepancies between the payment record noted on the report and the original CM-1261. Additionally, the balancer must verify that each form has been properly signed and dated by the initiator, co-signer, if applicable, and the data entry staff person. If there are no discrepancies, the original CM-1261s and reports are filed for future audit and annual accountability reviews.

(2) Non-fraud errors must be corrected but if a discrepancy is detected indicating unauthorized use of the payment system, an investigation must be undertaken immediately by the District Director. The District Director's findings must be forwarded to the Regional Director with a copy to the Chief, Branch of Accounting and Accountability (BAA) and the Chief, Systems Management Section (SMS). National Office branch chiefs must also forward their findings to the Chief, BAA and Chief, SMS.

(3) In cases where an error was entered in one week and not corrected until the following week, the balancer must annotate the Payments Error Reconciliation Report indicating that the error was corrected and when. The report is placed in the file

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of CM-1261s that are saved from the original week of input, while the corrected CM-1261 will be maintained in the file of CM-1261s from the week in which it was input. This applies to all CM-1261s that have been corrected, not just those with pen-and-ink corrections.

(4) Additionally, the corrected CM-1261 must be scanned into the OIS claim file; although optional, the correction should be described in the description block (EX: "to correct street number" or "to fix zip code", etc.). The prior, incorrect, CM-1261 should remain in the OIS claim file.

j. Acceptable Corrections:

(1) All CM-1261s for Transaction A, setting up an account in the Benefit Master system, must be free of errors when they are input into the system. That is, all entries must be accurately completed on the form without pen-and-ink changes. A CM-1261 Transaction A completed using the correspondence system or by hand must contain no corrections. If an error is discovered during the review of the CM-1261 prior to inputting by the supervisor or his/her designee, District Director or data entry staff, the CM-1261 must be voided and returned to the claims staff for preparation of a new CM-1261. A CM-1261 establishing a split payee using Transaction B must be similarly free of corrections.

(2) All CM-1261s for Transaction C, changing a benefit amount, must be free of errors or corrections in the following fields: Case ID, Miner SSN, Chief Type, Name ID, Pay Monthly, Starting, Adj Reason, Monthly Offset, Offset Reason and Overpay. None of these fields may be corrected, on any transaction, without completing a new form.

(3) All CM-1261s for Transaction F must be free of errors or corrections in Lump Sum field and in all name and address fields, if the fields are completed.

(4) All CM-1261s for all transactions, including Transaction D, must be free of errors or corrections in the following fields: Case ID, Miner SSN, Chief Type and Name ID.

(5) Except as described above, the following corrections are permitted: Minor changes in spelling of names, streets, or towns; minor changes in mailing addresses; and other entries in the name and address fields and pagination when entering multiple 1261s. All corrections must be verified and must be initialed by the person making the correction and by the supervisor or his/her designee if supervisory review is required. The District

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Director's initials are not required since Transaction A forms must be completely error-free, and all money amount and adjustment fields must be error-free in Transaction C forms.

For example, if the claims staff is changing an address of a beneficiary and has entered the change into the Claim Master screen, then completes a CM-1261 by hand listing the address as 321 Stone St instead of 312 Stone St, and either catches the error prior to data entry or is notified by data entry staff that it is wrong, claims staff may make a pen and ink change to the form, being certain to initial the change. Because a Transaction D, changing address, does not require supervisory approval, the data transcriber may then enter the corrected address.

However, only minor changes are permitted. In the same example above, if the claims staff were to mistakenly complete the CM-1261 with the beneficiary's former address, it would be impermissible to line the entire entry out and write a new one above it.

(6) In all cases, the CM-1261 must be legible, with or without corrections.

(7) Corrected CM-1261s must be carefully scrutinized by the DD or designee conducting the Transaction Balancing to ensure that the proper entry was made.

(8) If there are no discrepancies, the original CM-1261s and reports should be filed for future audit and annual accountability reviews along with the other five reports.

k. Claim and Benefit Key Change Report: This report details all key change actions for a particular processing week. It lists the new and old keys. A key change, accomplished via Form CM-1261A, most likely corrects a miss-keyed Social Security Number or changes an intent to file to an actually filed claim but may also be used to change claim type, chief type and split payee type.

(1) The balancer must review the key change request form for each change listed on the Part B and Part C Claim and Benefit Key Change reports to ensure that the appropriate change(s) has been made.

(2) If a discrepancy exists, a new key change request form must be completed and another key change input. For example, if 227-xx-xxxx should actually be 237-xx-xxxx, a key change is required. If that key change was incorrectly keyed in as 273-xx-xxxx, another key change form and input is required to correct it to 237-xx-xxxx.

(3) However, if the discrepancy indicates unauthorized use of the payment system, an investigation must be undertaken immediately by the District Director. The District Director's findings must be forwarded to the Regional Director with a copy to the Chief, Branch of Accounting and Accountability (BAA) and the Chief, Systems Management Section (SMS). National Office branch chiefs must also forward their findings to the Chief, BAA and Chief, SMS.

(4) If there are no discrepancies, the original key change request forms and reports should be filed for future audit and annual accountability reviews along with the other five reports.

20. Maintenance and Retention of Processed CM-1261 and CM-1261A Forms. Current procedures require that, after successful data entry, original CM-1261s and CM-1261As be maintained apart from the claim record in a secure location (see the OWCP PM for disposal schedules).

21. Retention Schedule for Weekly Benefit Transaction History Reports. The weekly Benefits Transaction History Reports are always available on the ASP for audit and review purposes. If copies are printed in the review process, the copies will be shredded when the review is complete.