

Member Resources - Quick Reference Tool

Reclamations

Commercial Reclamation:

- Reclamation entries must be sent within 5 banking days after the Originator learns of the death of the Receiver (Article 2.6.3)
- Must be for an amount equal to or less than the pension annuity or other benefit payment to which the reclamation entry relates (Article 2.6.2)
- The word “RECLAIM” is in the Company Entry Description field
- The RDFI’s liability for a Commercial Reclamation is the amount of the reclamation or the amount in the account – whichever is less (Article 4.8.2)

Donna has worked for Farmers Insurance for 38 years, is retired and currently receiving a pension in the amount of \$200 each month ...on the 1st of each month. On March 2, 2008, Donna becomes deceased.

Farmers Insurance learns of Donna’s death on Sept. 7 and has their ODFI (First State Bank) transmit a Reclamation entry on Sept 9.

Reclamation entries must be sent within 5 banking days after Originator receives notice of the death

Farmers Insurance determined Donna was not entitled to her pension payments from April through September – so First State Bank sends 6 Reclamation entries (each one for \$200 for a total of \$1200)

Reclamation entries must be equal to or less than the pension annuity or other benefit payment to which the reclamation entry relates. (RECLAIM is in Company Entry Description field)

When the Reclamation entries are received by Donnas FI (Star Bank) – there is \$1,150 in her account. This causes one of the 6 reclamation entries to appear on the Exception Processing Report – as NSF (there was only enough money in the account for 5 of the Reclamation entries) – there is only \$150 in Donnas account. Star Bank sees the item and recognizes it is a commercial reclamation (a PPD with RECLAIM in the Company Entry Description).

The RDFI’s liability for a Commercial Reclamation is the amount of the reclamation or the amount in the account **whichever is less.**

Star Bank returns the NSF reclamation entry (R01 – NSF). Farmers Insurance will receive the reclamation entry back from the ODFI (First State Bank) ...

If a reclamation entry is returned by the RDFI, the Originator may make a written demand for payment within 15 banking days after it receives the returned reclamation entry.