FR IAS19 Cashout check (SCo)

1. Objective and Scope

1.1 Objective of this Operation

This procedure explains how to make the postings for the IAS19 provisions received from the Group Actuary Provider using an excel posting file in a harmonized way and ensuring correct BFC extraction and reporting.

1.2 Scope

This procedure is applicable to all ERP PF1 and WP1 companies within SBS Scope for France which have IAS19 provision postings from AON.

*Note: Companies to which this procedure applies are **covered by TSA** upon PO2 separation on Dec 2023: **6080 (Solvay France)**; **6422 (Specialty Operations France)***

2.Task description

Execution: This control is divided in 2 parts, the first one is done between D-3 and D-1, the second part is completed on D+1 (since some postings may be performed until D+1) where we ensure that nothing new has been posted in the accounts. The task is performed in both WP1 and PF1 systems, according to the company.

Responsible: Accounting Platform France Team.

IAS19 cashout tasks are divided into 2 categories:

1. Tasks **related** to the HR file;
2. And the others **that are separate** from the HR file.

2.1 HR file tasks

The HR file is made available by the HR Operations & Data Admn team **via AODOCS** in the following link:

- **SCO HR File:** SCO HR File

List of tasks related to HR File:

Task	***Notes & Task Description***	***Instructions and Posting to use***
3471: IDR F35	3471 HR file	https://docs.google.com/spreadsheets/d/1dkbIZmiXc4ich6PfcnXiE7TrXuCPgPed/edit#gid=270270162
6080: IDR F35	6080 HR file	https://docs.google.com/spreadsheets/d/1tdqnUg9g8qXjUAQCeia-gVlzjGgPPhoZ/edit#gid=671944241
3471: USE Jubilees	3471 HR file	https://docs.google.com/spreadsheets/d/1RnEq8rXiHLoltHTM_ydAGrk8l3adgFHE/edit#gid=69222023
6080: USE Jubilees	6080 HR file	https://docs.google.com/spreadsheets/d/1hwIrjJvtLGu4b7S_bIS95V8dcxVEVzMu/edit#gid=259840528
3865: IAS19 Use F35	ACC 98320140 if have value, go to HR file	In case of postings in this account, procedure can be found in the section below in #3.
6080: IAS19 Use F35	ACC 6200033300 if have value, go to HR file	In case of postings in this account, procedure can be found in the section below in #6.
3471: IAS19 Use F35	ACC 6200033300 if have value, go to HR file	In case of postings in this account, procedure can be found in the section below in #7.
6422: IDR F35	HR file	https://docs.google.com/spreadsheets/d/1XP5cNbVwBNFWSxIBX3yCd0sx8ihmlaFt/edit#gid=121642777
6422: Médailles F35	HR file ATTENTION CC 6422-81*	https://docs.google.com/spreadsheets/d/1qcdcAX3oPH5eZZe3IFdAd0avAp5VMVLA8r_5g0hLCA8/edit#gid=1303053689

ZFR3: IDR F35	HR file	https://docs.google.com/spreadsheets/d/1WDL8kdn1FniNeBg6bepzEVtqIGiv7xun/edit#gid=1402179979
ZFR3: Médailles F35	HR file ATTENTION CC ZFR3-82*	https://docs.google.com/spreadsheets/d/15SDCyEb-RT4VsNHWcxljP1hFwMy1Q3HI1TU6LXj7nu8/edit#gid=1303053689
3865: Médailles F35	Specific 3865 file	https://docs.google.com/spreadsheets/d/14xg8LKrr2EPVQwuCrHGoVHv0bZ543zj6/edit#gid=1885884326

- **I have the posting to use, now how do I proceed?**

After opening the posting referred to in the table above, let's follow the "instruction" Sheet.

1º Open the HR file;

2º Select the company code;

3º Select the respective wage types;

4º See if we have a value for the current month. If there is a value, copy the data from "Personnel area", "Pers area txt", "G/L account", "G/L Text", "Cost Centre", "Payroll Area", "Payroll Area txt", "Wage Type", "Wage Type Txt" and the respective value for the month and paste the values into the "Reprise IDR" sheet of the posting file;

5º The posting is ready in the "Posting_File_IDR" sheet;

6º Finally we just have to duplicate the "Posting_File_IDR" sheet and in this copy we'll delete the columns where there's nothing in the second line;

7º Go to WP1/PF1 and book the posting from point 6º.

2.2 Tasks separate from HR file

For these tasks, each one will have a specific procedure as they have individual requirements.

List of tasks separate from HR File:

#	***Task***	***Notes & Task Description***
#1	ZFR3: Pénibilité F35	Ask to Accounting Specialist responsible from ACP France the necessary file for ZFR3 pénibilité F35
#2	ZFR3: Pénibilité F35	+ File Mutuelle Account 98320225
#3	3865: IAS19 Use F35	Accounts 98320255 98320222 98320255 98320140 98340560 + 98320255 with CC 2295-4004
#4	3972: IAS19 Use F35	Accounts 98320255 98320222 98320255 98320140 98340560 + 98320222 with CC 3972-3330
#5	5586: Cashout reclass for IAS19	KSB1 (Z013) VARIANT IAS19 5586 - LOOK ASSIGNMENTS IN FBL3N -> GL 98320255 Gdrive 5586 Clotures IAS19 Files Attention to the vendors NAPHTACHIMIE and INEOS (ref 12/2023) Accounts 98320255 98320222 98320255 98320140 98340560
#6	6080: IAS19 Use F35	KSB1 VARIANT 6080 IAS19 CO CC A316400006 GL 6240000200
#7	3471: IAS19 Use F35	KSB1 VARIANT 6080 IAS19 CO CC T2800IAS19 GL 6240000200
#8	ZFR3: IAS19 Comex Cash-out	98320255 + 98320265
#9	ZFR3: AXA Mar/Jun/Sep/Dec F35	98300254
#10	ZFR3: IRP cash out	98320255 ZFR3-6215
#11	ZFR3: IRP cash out	98320255 ZFR3-6215
#12	ZFR3: Pompiers F35	98320255
#13	ZFR3: SSID F35	98320255 CC ZFR3-7608

# ***14***	ZFR3: TAXES FILLON SUR RENTES F35	98320255
# ***15***	ZFR3: IAS19 Use F35	98320255 98320222 98320255 98320140 98340560 + 98320140
# ***16***	6422: IAS19 Use F35	98320255 98320222 98320255 98320140 98340560

#1 and #2 - ZFR3: Pénibilité F35

Employees exposed to hard work acquire each year points on their hardship account in accordance with the Labor law? These points allow them to retire earlier than the legal retirement age.

What this file does on ERP level - record information on the Cost Element 98340350 PROVISION WRITTEN BACK/RETIREMENT and decrease IAS19 Defined Benefit Provision with flow F35 on registered payroll amount.

What BFC-BS headings are impacted: L16950 - Termination Benefits.

1. Details are sent by ticket ZFR3-IAS19 EXTRACTION DE LA PAIE POUR LA PÉNIBILITÉ;
2. Follow the Posting File with the instructions to proceed.

#3 3865: IAS19 Use F35

Data reflection from H0 Payroll Cost element on the Provision Write Back Risk & Expense Cost element. We will show decrease in Provision account and Increase in PL Cost element with flow F35, as the base using the data collected from processed payroll accounts.

What BFC-BS headings are impacted: ZFC -L15600 - Post Employment Benefits

What should be performed on ERP level:

1. go to FS10N or FBL3N;
2. select balance of account 98320255 98320222 98320255 98320140 98340560;
3. select text or assignment that holds following abbreviations: *CNP*, *CADVI*, *COMEX*, *IRP, *ARS*, *GRCD* or *ARRERAGES* (for company 3865) – This account is where the majority of the cash-out is being posted to at the origin.
4. Record reverse for cash out with amounts on account 98320255 with cost center 2295-4004.
5. For the posting scheme to book the cash-out, use as reference document 2300002697/2018, company 3865. [Please note that the **account 89832025** in the referenced document **has been changed** at the request of CAM **to 89834055**].

Note that “COMEX” postings are booked later (at D+1 or D+2).

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What BFC-BS headings are impacted: ZFC -L16930- Other Long-term Benefits

What should be performed on ERP level:

1. Postings based on wage type are applicable for company 5723
2. Start by checking the balance of account **98320140** in FS10N and compare with Payroll file archived in AoDocs.
    a. If the account showed no movement within the month, following execution can be amended
    b. If we hold numbers, proceed with the instructions below.
3. Open the HR File, filter by the company you are analyzing, filter by account 98320140 and then by the below wage types (wage types 4G53 - bonus cash out in April and 4G61 - bonus cash out at exit of the employee are to be excluded): **2M01 2N37 8M01 8P17 9GF2**
4. Be sure to ensure the good cost center to post each month – have 0 impact at cost center, by performing the cash out posting using the same cost centers of the payroll posting in account 98340560, against provision account 16930200.
5. Posting file template can be found here

Please note, that the amount retrieved to post would be a Jubilee amount, so will not be a significant amount.

#4 3972: IAS19 Use F35

Data reflection from H0 Payroll Cost element on the Provision Write Back Risk & Expense Cost element. We will show decrease in Provision account and Increase in PL Cost element with flow F35, as the base using the data collected from processed payroll accounts.

What BFC-BS headings are impacted: ZFC -L15600 - Post Employment Benefits

What should be performed on ERP level:

1. go to FS10N or RBL3N
2. select balance of account 98320255 98320222 98320255 98320140 98340560

3. select text or assignment that holds following abbreviations: *CNP*, *CADVI*, *COMEX*, *IRP, *ARS*,*GRCD*, *SIACI* or *ARRERAGES* (for company 3865) – This account is where the majority of the cash-out is being posted to at the origin.
4. check monthly posting in account 98320222 with cost center 3972-3330
5. posting scheme to book the cash-out, use as reference document 2300000066/2023, company 3972

Note that "COMEX" postings are booked later (at D+1 or D+2).

#5 5586: Cashout reclass for IAS19

Rhodia Chimie has no employee, the cash out corresponds to the pensions of former employees of former group companies.

Provisioned in the account: 15600100 / 153100

Pensions are not recognized in Rhodia Chimie's corporate accounts, each time a provision reversal is made, an entry must be made, corresponding to the social retreatment.

5586 RHODIA CHIMIE Procedure for F35 IAS19

#6 and #7 - 6080/3471: IAS19 Use F35

Data reflection from H0 Payroll Cost element on the Provision Write Back Risk & Expense Cost element. We will show decrease in Provision account and Increase in PL Cost element with flow F35, as the base using the data collected from processed payroll accounts.

What BFC-BS headings are impacted: ZFC -L15600 - Post Employment Benefits

What should be performed on ERP level:

1. go to KSB1 variant 6080 IAS19 CO
2. select balance of account ***6240000200*** and **6210010000**
3. select text or assignment that holds following abbreviations: "IPCS" "GRCD or Sanofi" – This account is where the majority of the cash-out is being posted to at the origin.
4. CASH OUT all posting in account ***6240000200*** with cost center A316400006 (***6240000200***/CCA316400006 the reverse will be with GL **6353010000**/CCA316400006)
5. post provision cash out: reference document 5010001101/2022, for company 6080
6. To 3471 check the same accounts with cost center T2800IAS19 - to reclass the amount use as example 5010013052/2021 3471.

Note that "COMEX" postings are booked later (at D+1 or D+2).

1. Additionally (**only for 57230**) to check the account 6210000000 – items in cost center A316400006 and "E & Y" quarterly postings. The posting that will be performed is to set as a F35 in Provision account with the same cost center and transfer to a Cost account related to the use of IAS19 (use as reference document 1000000018/2017, company 5723).

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What BFC-BS headings are impacted: ZFC -L16930- Other Long-term Benefits

What should be performed on ERP level:

1. Postings based on wage type are applicable for company 5723/3471
2. Start by checking the balance of account 6200033300 in FS10N and compare with Payroll file archived in AoDocs.
   a. If the account showed no movement within the month, following execution can be amended
   b. If we hold numbers, proceed with the instructions below.
3. Open the payroll file, filter by the company you are analyzing (if it is company 5723, consider the company in PRS 6080. Or 3471), filter by account 6200033300 and then by the below wage types (wage types 4G53 - bonus cash out in April and 4G61 - bonus cash out at exit of the employee are to be excluded): **2M01 2N37 8M01 8P17 9GF2**
4. Be sure to ensure the good cost center to post each month – have 0 impact at cost center, by performing the cash out posting using the same cost centers of the payroll posting in account 98340560, against provision account 4003000000.

Please note, that the amount retrieved to post would be a Jubilee amount, so will not be a significant amount.

#8 ZFR3: IAS19 Comex Cash-out

Perform cash-out "COMEX" in company ZFR3, by checking the balance of account 98320255 or 98320265, with text or assignment *COMEX* (normally these postings are booked quarterly, at D+1 or D+2).

The below example was applicable for period 03/2018:

The cash out is to be recorded in account 15650100, against account 98340350 with the same cost center used in the original posting. The posting has to reflect the elimination in local GAAP (account 81565010 and 89834055). Use as reference document number 2300004001/2018.

#9 ZFR3: AXA Mar/Jun/Sep/Dec F35

Provision recovery. This cash-out occurs on the month Mar/Jun/Sep/Dec.

Check balance CE 98300254/ FC INSURANCE/PENSION and Assignment with *AXA* document type *IX* or CC/ZFR3-5680. Period -check with the previous data load on offsetting account 98340350 CC/ZFR3-5680

Post by reference in ZFR3: 2300008290/2018; 2300003375/2023.

#10 and #11 ZFR3: IRP cash out

Perform cash out on IDR 98320255 ZFR3-6215.

#12 ZFR3: Pompiers F35

This cash-out normally occurs on the months 01/04/07/10 of each year.

Checked in the balance of 98320255 account of the actual closing period MM/YYYY, filter by assignment ***pompier*** (Inclusive IX doc.type and AB with CSG/RETRAITE POMPIER).

If any item to post it is for the amount as per the posting file prepared (<u>we should consider the same cost center used in account items of 98320255</u>).

Use as reference document number: 2300003005/2022 ZFR3

Check two CE 98320255 and 98340350.

#13 ZFR3: SSID F35

To post the payment done to SSID, proceed as following:

1. go to KSB1, cost center ZFR3-7608 with cost element 98320255

Can also confirm the items through FBL3N , account 98320255, with cost center ZFR3-7608, document type IX and text *SSID*.

If there are any items, proceed to post the below items, using the balance of the transaction as the amount to post (reference document number 2300009309/2018)

Posting key Account Account text:

- 40 – 15650100 - AV. POST EMPLOI LT
- 50 – 98340350 - REPR. ENGAGMT RETR/CC
- 50 – 81565010 - 81565010 AV. POST EMPLOI LT
- 40 – 89834055 - 89834055 RET.DOT.RISQ/CHAR.EX

#14 ZFR3: TAXES FILLON SUR RENTES F35

Cashout of TAXE FILLON SUR SERVICE COST

(Note: **Only done in Year End** - applicable only for ZFR3

To be posted until D-1 because it could impact intercompany invoicing.

Go to account 98320255

Perform the posting of the use of provision:

- Debit in Account **15600100** with transaction Type F35 (use of provision) for the total amount
- Credit in Account **98340350** with <u>split by cost center</u> according to the original posting in account 98320255
- Debit in account **89834055** for the total amount
- Credit in account **81560010** for the total amount

Example: Doc. 2300007138/2022 for ZFR3.

#15 and #16 ZFR3/6422: IAS19 Use F35

This check has been added and is the last to be performed for the companies ZFR3 and 6422. The purpose of this check is to ensure that there are no assignments that were not considered in the previous tasks.

ZFR3: ACC 98320255 98320222 98320255 98320140 98340560 + 98320140

6422: ACC 98320255 98320222 98320255 98320140 98340560.

End of document.