



TO: Agency Representatives

FROM: Miriam Martinez, Senior Systems Client Services Analyst

RE: PEBB Agency Update - System Changes

We will be making changes in processes and system to continue with our goal of process improvement and compliance. The following system changes will be in effect on Monday, March 30, 2009.

1. HOME PAGE ALERTS - OSPS REJECTIONS - OSPS ONLY

We have added new search functionality in this page. You can now search the OSPS rejection page by User Name. This new functionality will allow you to search for your user name rejections only. Enter the "user name" in the User Name field and select "Search."

OSPS Rejections

SSN	<input type="text"/>	Agency Number	<input type="text"/>
User Name	<input type="text"/>		
Transaction Date	<input type="text"/>	Transaction Time	<input type="text"/>
Begin Date	<input type="text"/>	End Date	<input type="text"/>
Deduction Code	<input type="text"/>	Deduction Plan	<input type="text"/>
Adjustment Type	<input type="text"/>	Transaction Code	<input type="text"/>
Out Date End Date	<input type="text"/>	Employee Share	<input type="text"/>
Rdc	<input type="text"/>	Pdc	<input type="text"/>
Status	<input type="text"/>	Error Code	<input type="text"/>
Error Message	<input type="text"/>		
Processed	<input type="checkbox"/>		

NOTE: Remember to verify that the PDB Enrollments and the P070 deductions match before clearing the rejections. Clearing the rejections without the review may create system mismatches. System mismatches will create rejections when future changes are processed.

2. IRS DEPENDENT TAX STATUS INDICATOR – DEPENDENT PAGE

Effective Jan. 1, 2009, members can enroll domestic partner and partner's children as IRS dependents. IRS dependents are eligible to receive pre-tax health coverage.

The document and link below provide details in the IRS Dependent status for Domestic Partners and Partner's children.



FinalDPCERTforIRST
axDependentStatus.pdf

<http://www.oregon.gov/DAS/PEBB/docs/SPD/subsections/DomesticPartnersandDependents.pdf>

To help agencies administer this new process, we have modified the Dependents Page to keep track of the IRS tax dependent status. Here is the process to add the IRS Dependent Tax Status indicator:

- A. Retrieve the member record in the Enrollment Page.
- B. Select **Dependents** from the Enrollment Page.
- C. Select the record for the dependent that requires the Tax Status Indicator (Domestic Partner or Domestic Partner's child).
- D. Select **IRS Dependent** from the dependent's page.
- E. Check the box in the IRS Dependent column and select "Save."
- F. Close window.

For OSPS only: The enrollments will terminate and re-enroll. The termination and re-enrollment will feed to P070 to change the numeric deduction codes (802/803/804/805/806/807) to the alpha codes (BBB/CCC/DDD) based on the coverage tier selection. The termination and re-enrollment will be in the current pay period. The agency may need to adjust imputed value taxes retroactive to the beginning of the plan year.

For OUS and BHS only: There will be no changes to enrollments or deduction codes. The indicator will be used when compiling the annual reports for agency use.

Please remember:

- The employee is responsible to complete the Domestic Partner Certification for Dependent Tax Status form every year to continue the tax status for the next plan year.
- If the employee needs assistance, the employee needs to seek advice from a professional tax advisor. Neither PEBB nor the agency should provide tax advice.
- If the employee does not file the form and covers the domestic partner or partner's children, the employee must pay tax on imputed value.
- Members who cover IRS tax dependents do not pay imputed value tax.
- If a member files a new form midyear for **an existing** domestic partner or partner's children, the agency must pay back the Imputed Value tax paid by the member. The adjustment is retroactive to the first of the current tax year.
- If you receive information from the employee that the domestic partner or partner's children **no longer meets the criteria** to be an IRS tax dependent midyear, the employee must pay the imputed value tax retroactive to the first of the current plan year.

As part of the Open Enrollment process, PEBB will provide agencies with information on currently enrolled employees with IRS tax dependent status. The agency may contact employees to remind them to file a new form to qualify for the new plan year.

NOTE: Please remember that you must have a form filled out by the employee before checking this indicator. The employee must follow this certification process to renew the tax status each plan year.

If you have any items to include on our next agency update or have questions, please let us know at PDB.Administration@state.or.us.