

PEBA Update

Week ending December 4, 2015

SHP subscribers to receive new ID card

New State Health Plan (SHP) ID cards will be mailed to subscribers later this month.

The new cards have a sticker with a number for a mobile messaging service. This new feature allows subscribers to opt in to receive text messages with useful wellness reminders and links to free resources that will help subscribers understand and take advantage of their health benefits. More information on this new feature will be sent to benefits administrators in the upcoming weeks.

Express Scripts is new SHP pharmacy benefits manager

The South Carolina Public Employee Benefit Authority (PEBA) contracts with a pharmacy benefits manager to administer the prescription drug program for the State Health Plan. PEBA is transitioning from Catamaran to Express Scripts as the pharmacy benefits manager. PEBA's contract with Catamaran will end on December 31, 2015, and PEBA's contract with Express Scripts will begin on January 1, 2016. Throughout this transition, members will maintain prescription drug coverage.

As a result of this vendor change, members may receive communications from Catamaran and Express Scripts. All members will receive welcome packets and new prescription drug ID cards from Express Scripts before January 1, 2016.

Members who are enrolled in the State Health Plan Medicare Prescription Drug Program will receive multiple letters from both Catamaran and Express Scripts. These letters are required by the Centers for Medicare and Medicaid Services, and members should not be alarmed. Medicare Prescription Drug Program members will automatically be unenrolled from the Catamaran program and enrolled in the Express Scripts program, Express Scripts Medicare, without losing coverage.

Make sure PEBA has correct contact information

PEBA sends important information to participating employers at open enrollment and throughout the year.

Your contact information can be updated through the Employee Benefits Services (EBS) website. Just ask your authorizing agent to go to the site and click on "Contacts" on the left side of the EBS home page. He can add benefits administrators and make any other changes.

This is a good opportunity to remove contact information for any staff members who are no longer with the agency or who no longer need to receive materials from PEBA.

In addition to reviewing and updating the contact information, PEBA would like the name and the mailing address of the Director, Chief Executive Officer, Superintendent or County Administrator of your group. Please click the "Add" button, enter the information, and select "Executive Contact."

You might also remind subscribers who have moved, or who plan to do so, to go to MyBenefits at www.mybenefits.sc.gov and change their address in PEBA's system. This will ensure that they receive explanations of benefits (EOBs) and other information, including Form 1095. Form 1095 shows an individual has "minimum essential coverage," as required by the Affordable Care Act, and will be needed to complete the 2015 federal income tax form.

Basic Long Term Disability FICA tax reimbursement

PEBA's contract with The Standard includes a process in which The Standard remits the employer's portion of FICA taxes to the IRS on a monthly basis for employees who are on a Basic Long Term Disability (BLTD) claim. The Standard then directly bills those employers for whom they have remitted FICA taxes throughout the year.

FICA tax has two parts, Social Security and Medicare. It is a mandatory tax that is withheld under these circumstances:

1. During the first six complete calendar months after the individual ceases work due to disability.
2. During disability when the claimant returns to work with his own employer.
3. During the first six complete calendar months after the employee ceases work again.

The billing for 2015 will occur in January 2016. If you had an employee who received BLTD benefits in 2015 that were subject to FICA taxes, you should receive your 2015 invoice from The Standard by January 31, 2016. Reimbursement is due to The Standard within 15 days of the date of the invoice.

Beginning in 2016, The Standard will bill quarterly for the FICA reimbursements. Invoices will be mailed within 30 days after the end of each quarter and are due within 15 days of the date of the invoice.

If you have questions about the taxability of Long Term Disability benefits, please see The Standard's *Guide to Taxation of Employee Disability Benefits* [here](#) or visit the [Internal Revenue Service site](#).

PEBA Update

Week ending December 18, 2015

Holiday closings

PEBA's offices will be closed on December 24, 25 and 28. Our offices will reopen at 8:30 a.m. on Tuesday, December 29.

Our offices also will be closed on Friday, January 1, 2016. We will reopen at 8:30 a.m. on Monday, January 4.

PEBA Update will not be published the weeks ending December 25 and January 1.

Termination forms have been combined and revised

To streamline the termination process, PEBA has discontinued the Termination due to Reduction of Hours or Unpaid Leave form. All terminations must be done using the revised Active Termination Form.

These reasons for termination have been revised:

- Not Eligible (Not in stability period) (T5)—Check this box when an employee resigns, is terminated or is no longer eligible at the end of his stability period. Subscribers should be given the Your Insurance Benefits When Your Hours are Reduced Form with the second box checked.
- Reduction in Hours or Unpaid Leave (In stability period) (TH) -- Check this box when an employee is in his stability period but voluntarily cancels his coverage with PEBA. Subscribers should be given the Your Insurance Benefits When Your Hours are Reduced Form with the first box checked.

Remember: Supplemental Long Term Disability (SLTD) should be canceled 30 days from the last day worked. Life Insurance can only be continued a maximum of 12 months from the last day worked.

SLTD can be reinstated without medical evidence if the employee is on leave fewer than 90 days. To do so, complete a Notice of Election form and give "Reinstate SLTD" as the "Type of Change."

An employee can only be enrolled in or reinstated in Optional and Dependent Life Insurance during an enrollment period, by providing medical evidence of insurability or as a result of a special eligibility situation, unless the employee is honorably discharged from the military.

Final ACA Report and other important ACA information

The final ACA files for employers who are not members of "The State" ALE will be posted on EBS on Tuesday, December 22. Please use the enrollment information in these files for your 1095 forms. Do not use the information on any of the previous test files, as the information may have changed. The files are fixed width, and each field (except GROUP) is delimited by a tilde (~) in the first position. There are no leading blanks. You will be able to access the files using either Delimited or Fixed width methods. To ease importing, these files do not have headings. Headings and full file descriptions of the 1095-C and

1095-B file layout are on www.eip.sc.gov behind the BA login. Go to "Forms" and then "Affordable Care Act (ACA)." Please also keep this information in mind:

- Employers that designated PEBA as their Designated Governmental Entity (DGE) will only find a file for their active employees.
- Employers that did not designate PEBA as their DGE may find two files: one for their active employees and one for their non-Medicare retirees and COBRA subscribers.
- The report to use for all active employees is titled "1095-C." Even if you are a small employer (less than 50 employees) and are issuing form 1095-B to your active employees, this is the report you will use to retrieve the information needed to complete the forms. If you are issuing 1095-B forms for your active employees, use the information from PART III of the 1095-C data file (rows 17-36) in PART IV of the 1095-B form (rows 23-42).
- PEBA did not provide addresses on the 1095-C file. Employers should use the same address used for their employees' W-2 forms.
- PEBA will issue forms for all eligible Survivors.
- If you have an employee who was enrolled in coverage and retired during 2015, all coverage information (active and retiree) should be reported on the 1095-C form. PEBA will include any retiree coverage information along with the active coverage.
- If you have an employee who was enrolled in coverage during 2015 and left employment and enrolled in COBRA, all coverage (active and COBRA) should be reported on the 1095-C form. PEBA will include any COBRA coverage information along with the active coverage.
- Medicare eligible retirees will not be listed on the 1095-B report. Employers are not required to issue a form to Medicare-eligible retirees. Also, if a retiree became Medicare eligible during 2015, only the months he was covered before he became Medicare eligible will be reflected on the report. For example, if a retiree turns 65 in May, PEBA will only send you coverage information for January through April even though he was still enrolled in retiree coverage.
- When completing Form 1095-B, remember the State Health Plan is "Employer-sponsored coverage" (Line 8- Origin of the Policy). Therefore, per the IRS instructions, Part II should be left blank. Employer information should go in Part III as you are sponsor of a self-insured employer plan.
- When completing Form 1095-C, the codes an employer uses on line 14 and line 16 depend on the reporting method or form of Transition Relief indicated on Form 1094-C, Part II, line 22.
- If you plan to file your forms to the IRS electronically, they must be submitted through the Affordable Care Act Information Returns (AIR) Program. Employers will not be able to submit returns to the IRS without completing the steps required with the AIR program. Refer to IRS Publications 5164 and 5165.
- Please refer to the ACA Reporting FAQs on the www.eip.sc.gov website if you have any questions.

2016 IBG is now available

The 2016 *Insurance Benefits Guide* is now available online at www.eip.sc.gov under "Publications."

Printed copies of the guide will be mailed to retirees, COBRA subscribers and survivors on December 18, 2015. Guides will be delivered to employers for distribution to active employees in the coming weeks.

New messaging service available to SHP members

PEBA values our State Health Plan (SHP) members, but how can we keep them informed? It's a big challenge as we try to reach people who are increasingly mobile. One solution is member messaging, which lets us contact members where they live now — on their mobile devices.

Members can opt in to the service by responding to a sticker on their new or replacement SHP ID card. Or they can opt in simply by calling 844.284.5417.

Learn more about this new service here, and look for marketing materials in your inbox soon to help promote member messaging!

TPEs' access to EBS must be canceled

Third-party enrollers (TPEs) can be a big help during open enrollment. However, TPEs should not have access to Employee Benefits Services (EBS) after enrollment ends. Benefits administrators who used a TPE should immediately send the names of the TPE's individual employees to Chuck Wilson at chuck.wilson@peba.sc.gov so their access to the system can be revoked.

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individual has “minimum essential coverage,” as required by the Affordable Care Act, and will be needed to complete the 2015 federal income tax form.

Website updates

- The revised Retiree Life Continuation Election form has been posted on www.eip.sc.gov. Select "Forms" and then go to "Life Insurance."
- The Active Termination form, which is behind the BA login under "Forms"/"Notice of Election," has been replaced with a revised version. Please begin using the new version.
- The Termination Due to Reduction of Hours or Unpaid Leave form has been removed from the website. Please use the revised Active Termination form. An explanation of the change is in this week's *PEBA Update*.
- The Your Insurance Benefits when your Hours are Reduced form, which is behind the BA login under "Forms"/"Unpaid Leave," has been replaced by a revised version. Please begin using the new version.
- 1095-C and 1095-B File Layout Descriptions, Form 1095-C Headers and Form 1095-B Headers have been added behind the BA login. Select "Forms" and then go to "Affordable Care Act (ACA)."