



State of New Jersey

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES
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MEDICAID COMMUNICATION NO. 01 - 08 DATE: April 6, 2001

TO: County Welfare Agency Directors
 Tax Security Liaisons
 Institutional Services Section Area Supervisors

SUBJECT: IRS/IEVS Matches for Tax Year 1999

This is a follow-up to Medicaid Communication 00-17, dated August 15, 2000, in which you were advised of the completion of scheduling for the matching of IRS/IEVS data against Tax Year 1998. We are now advising you of the beginning of the monthly matching schedule for Tax Year 1999 as follows:

- New applicant file months of July, August and September 2000 have been combined. You can anticipate receipt of the data output from this combined match within the next week. This run will be referred to as file month September 2000.
- Once this match is implemented and the processing is completed, file month October 2000 will be used to generate the Annual Run data for Tax Year 1999 for all current beneficiaries on the eligibility file at the time our extract file was sent to the IRS for matching. Please note that current beneficiaries who were added to the Medicaid eligibility file for the period July through September 2000 referred to above will be listed on the Annual Run reports, but no FD-348 should be generated, since the file months for both matches are in the same calendar year. You can anticipate the receipt of this Annual Run data sometime in June 2001.

Once these two matching processes are complete, we will advise you of the matching schedule to be implemented for processing future data against IRS 1099 information for Tax Year 1999. In addition, the IRS Document Codes for Tax Year 1999 are attached for your reference in reading the FD-348 forms.

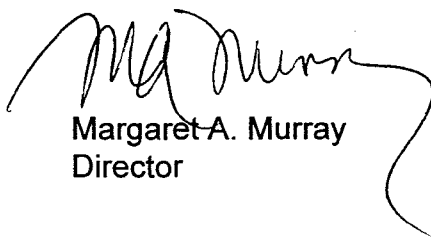
Additionally, we have decided to no longer have the system calculate an estimated principal amount for savings bonds because of fluctuating values due to market conditions. This adjustment was necessary in order to correct any misleading estimated data. Therefore, if appropriate, you will note that a zero value will now appear in the

estimated principal field for records with both a Document Type (DT) 92, and Income Indicator (FD) 22, on the FD-348 and IRS matched records reports.

In our interest to operationalize our IEVS processing on a timely basis, we realize that this effort will again require concentration of staff time to process the combined match information and appreciate your cooperation in this matter.

Please direct any questions concerning this Communication to Joanne Weigand of the Division's Office of Information Systems at (609) 588-2806.

Sincerely,



Margaret A. Murray
Director

MAM:S

Attachment (CWAs)

c: Christine Grant, Commissioner
William Conroy, Deputy Commissioner
Department of Health and Senior Services

David Heins, Director
Division of Family Development

Charles Venti, Director
Division of Youth and Family Services

DOC CODE and INCOME INDICATOR

| Doc. Code | Document | Income Indicator | Type of Income |
|---|--|---|--|
| The DOC CODE (D9 pos 382-383) represents the type of document used by the payer to report the income | | | |
| The INCOME INDICATOR (pos 434-435, 446-447, 458-459, 470-471, 482-483, 494-495, 506-507, 518-519 and 530-531) reflects the type of income reported. | | | |
| ** | No Matched Record on IRMF or Record not Authorized for Disclosure | | |
| 00 | No information provided | | |
| 32 | W-2-G | Statement of Gambling Winnings | |
| | | 03 | Gross Winnings - income resulting from wagers. |
| | | 21 | Winnings from Identical Wagers - income from identical wagers. |
| | Non-Payment Indicator 1 Gambling 1 = Horse Racing 5 = Keno 2 = Dog Racing 6 = Casino Type Bingo 3 = Jai-alia 7 = Slot Machines 4 = State Lottery 8 = Other | | |
| 65 | 1065-K1 | Partners Share of Income, Credits, Deductions, etc. | |
| | | 01 | Dividends - distribution of money, stock, or other property from partnership. |
| | | 02 | Interest - income from or credited to: accounts (including certificates of deposit and money market accounts) with banks, credit unions and savings and loan associations; building and loan accounts; notes, loans and mortgages; tax refunds; insurance companies if paid or credited on dividends left with the company; bonds and debentures; also arbitrage bonds issued by State and local governments after October 9, 1969; gain on the disposition of certain market discount bonds to the extent of the accrued market discount; U.S. Treasury bills, notes and bonds; U.S. savings bonds which include: total interest when bond is cashed or when bond reaches maturity and no longer earns interest; or yearly increase in the bond(s) value. |
| | | 19 | Royalties - income from oil, gas, mineral properties, copyrights and patents. |
| | | 73 | Ordinary Income - share of income (loss) from trade or business activities of partnership. |

DOC CODE and INCOME INDICATOR

| Doc. Code | Document | Income Indicator | Type of Income |
|----------------|----------|--|---|
| 65 (Cont'd) | | 74 | Real Estate - income (loss) from activity in which partner did not materially participate. |
| | | 75 | Other Rental - income (loss) activity in which partner did not materially participate. |
| | | 76 | Guaranteed Payments - partner's share of income for services. |
| | | 97 | Short Term Capital Gain - income (loss) from partnership of less than 1 year. |
| | | 98 | Long Term Capital Gain - income (loss) from partnership of more than 1 year. |
| 66 | 1041-K1 | Beneficiary's Share of Income, Credits, Deductions, Etc. | |
| | | 01 | Dividends - distribution of money, stock, or other property from an estate or trust. |
| | | 02 | Interest - beneficiary's share of taxable income from accounts with banks, credit unions and thrifts (e.g., certificates of deposit and money market accounts). |
| | | 32 | Business Income and Other Nonpassive Income - beneficiary's share of annuities, royalties, or any other income not subject to passive activity limitation. |
| | | 90 | Passive Income - Rental income from trade or business activities in which beneficiary did not materially participate. |
| | | 97 | Short Term Capital Gain - income from installment sales, like-kind exchanges and/or other partnerships and fiduciaries of less than 1 year. |
| | | 98 | Long Term Capital Gain - income from installment sales, like-kind exchanges and/or other partnerships and fiduciaries of more than 1 year. |

DOC CODE and INCOME INDICATOR

| Doc. Code | Document | Income Indicator | Type of Income |
|-----------|----------|--|--|
| 67 | 1120S-K1 | Shareholder's Share of Undistributed Taxable Income, Credits, Deductions, Etc. | |
| | | 01 | Dividends - distribution of cash; value of stock, property or merchandise received as a shareholder (e.g., mutual fund). |
| | | 02 | Interest income from or credited to : accounts (including certificates of deposit and money market accounts) with banks, credit unions and savings and loan associations; buildings and loan accounts; notes, loans and mortgages; tax refunds; insurance companies if paid or credited on dividends left with the company; bonds and debentures; also arbitrage bonds issued by State and local governments after October 9, 1969; gain on the disposition of certain market discount bonds to the extent of the accrued market discount; U.S. Treasury bills, notes and bonds; U.S. savings bonds including total interest when bond is cashed or when bond reaches maturity and no longer earns interest; or yearly increase in the bond(s)' value; income received or credited to an account that may be withdrawn. |
| | | 19 | Royalties - income from oil, gas, mineral properties, copyrights and patents. |
| | | 73 | Ordinary Income - shareholder's pro rata share of ordinary income, loss, deductions, credits and other information from all corporate activities. |
| | | 74 | Rental Real Estate - net income (loss) in which shareholder did not materially participate. |
| | | 75 | Other Rental net income (loss) from other rental activity in which shareholder did not materially participate. |
| | | 97 | Short Term Capital Gain - income from sales and exchanges of capital assets, including stocks, bonds, etc. and real estate held for less than 1 year. |
| | | 98 | Long Term Capital Gain - income from sales and exchanges of capital assets, including stocks, bonds, etc. and real estate held for more than 1 year. |
| 75 | 1099-S | Statement for Recipients of Proceeds from Real Estate Transactions | |
| | | 50 | Real Estate Sales - gross proceeds from sale or exchange of real estate. |

DOC CODE and INCOME INDICATOR

| Doc. Code | Document | Income Indicator | Type of Income |
|--------------|---|---|---|
| 79 | 1099-B | Statement for Recipients of Proceeds from Real Estate Brokers and Barter Exchange Transactions | |
| | | 61 | Stocks and Bonds - gross proceeds from disposition of securities (including short sales), commodities, or forward contracts. |
| | | 63 | Aggregate Profit and Loss - total profit (loss) from regulated futures or foreign currency contracts. |
| | | 64 | Realized Profit or Loss - profit (loss) realized on closed regulated futures or foreign currency contracts. |
| 82 | SSA-1099 | Social Security Benefit Statement | |
| | | 04 | Total Benefits Paid - gross amount of benefits the individual is entitled to for the current tax year. This amount is prior to subtracting the amount of any benefit checks returned, adjustments for disability payments, work, overpayments and/or cash repayments. |
| | <u>Non-Payment Indicator 1 (Pos. 542)</u> Trust Fund R = Retirement D = Disability | | |
| | <u>Non-Payment Indicator 2 (Pos. 543)</u> SSA/RRB 0 = Either RRB or SSA 1 = Both RRB and SSA | | |
| 86 | 1099-G | Statement for Recipients of Certain Government Payments | |
| | | 05 | Taxable State Tuition |
| | | 14 | Unemployment Compensation - payments of unemployment compensation including Railroad Retirement Board payments. |
| | | 54 | Agricultural Subsidies - agricultural subsidy payments |
| | | 55 | Prior Year Refund - refunds, credits, or offsets of State or local income tax. |

ATTACHMENT 3

DOC CODE and INCOME INDICATOR

| Doc. Code | Document | Income Indicator | Type of Income |
|-----------|-----------------|--|---|
| 91 | 1099-DIV | Statement for Recipients of Dividends and Distributions | |
| | | 23 | Capital Gains - amount of total capital gain distributions (long-term). |
| | | 24 | Nontaxable Distribution - amount of nontaxable distribution. |
| | | 27 | Cash Liquidation Distribution - amount of cash distributed as part of a corporation's partial or complete liquidation. |
| | | 28 | Noncash Liquidation Distribution - fair market value (at time of distribution) of non-cash distributions made as part of partial or complete liquidation of a corporation. |
| | | 41 | Ordinary Dividend - amount of ordinary dividends, including those from money market funds and net short-term capital gains from mutual funds, and other distributions on stock. |
| | | 2C | 28% Rate Gain - any amount of capital gains (IND 23) that is 28% rate gain. |
| | | 2D | Unrecaptured Section 1250 Gain - any amount of capital gains (IND 23) that is section 1250 gain from certain depreciable real property. |
| | | 2E | Section 1202 Gain - any amount of capital gains (IND 23) that is section 1202 gain from certain qualified small business stock. |
| 92 | 1099-INT | Statement for Recipients of Interest Income | |
| | | 02 | Interest - amounts paid or credited by: savings & loan associations, mutual savings banks, building & loan associations, credit unions or similar organizations; bank deposits, accumulated dividends paid by life insurance companies, indebtedness (bonds, debentures, notes and certificates); in course of trade or business; delayed death benefits from insurance companies; accrued to a REMIC regular interest holder, or paid to a CDO holder. |
| | | 22 | Savings Bonds - interest paid on U.S. Savings Bonds, Treasury Bills, Treasury Bonds and Treasury Notes. |

DOC CODE and INCOME INDICATOR

| Doc. Code | Document | Income Indicator | Type of Income |
|-----------|-----------|---|--|
| 93 | 1099-LTC | Distributions from Long-Term Care Insurance Contract | |
| | | 1E | Gross Benefits |
| | | 1F | Accelerated-Death Benefits Paid |
| 94 | 1099-MSA | Distributions from Medical Savings Accounts | |
| | | 2A | Earnings on Distributive Excess Contributions |
| | | 2B | Gross Benefits |
| | | Non-Payment Indicator 1 (position 542) <u>Distribution Code MSA</u> 1 = Normal Distribution 2 = Excess Contributions 3 = Disability 4 = Death 5 = Prohibited Transaction 6 = Distribution to a non-spousal beneficiary | |
| 95 | 1099-MISC | Statement for Recipients of Miscellaneous Income | |
| | | 16 | Medical Payments - payments made in the course of trade or business to each physician or other supplier or provider of medical or health care services, including payments made by medical and health care insurers under health, accident, and sickness insurance programs. |
| | | 18 | Rents - income received as rents; e.g., owner of housing project, real estate rentals for office space, machine rentals and pasture rentals. |
| | | 19 | Royalties - income paid from oil, gas, mineral properties, copyrights and patents. |
| | | 20 | Other Income - income not reportable in other boxes on form; e.g. prizes and awards, punitive damages, deceased employee's wages paid to estate or beneficiary. |
| | | 30 | Substitute Payments for Dividends - total payments received by a broker on behalf of a taxpayer in lieu of dividends or interest as a result of a transfer of a taxpayer's securities for use in a short sale. |

DOC CODE and INCOME INDICATOR

| Doc. Code | Document | Income Indicator | Type of Income |
|-----------|-----------|---|--|
| 96 | 1099-OID | Statement for Recipients of Original Issue Discount | |
| | | 02 | Interest - amount paid or credited. The difference between the stated redemption price at maturity and the issue price of a debt instrument. |
| | | 53 | Original Issue Discount - the difference between the issue price of a debt instrument (e.g., stock, bond or promissory note) and the stated redemption price at maturity. |
| | | 91 | Original Issue Discount on Treasury Obligations |
| 97 | 1099-PATR | Statement for Recipients of Taxable Distributions Received from Cooperatives | |
| | | 43 | Patronage Dividends - cash, written notice of allocation or other property distribution by a farmer's cooperative. |
| | | 44 | Nonpatronage Dividends - cash, written notice of allocation or other property distribution by a farmer's cooperative. |
| | | 45 | Retained Allocations - cash, per-unit retail certificates and other property distributed by a cooperative |
| | | 46 | Redemption Amount - value of written notice of allocation issued as patronage dividends. |
| 98 | 1099-R | Distributions from Pensions, Annuities, Retirement or Profit-sharing Plans, IRAs, Insurance Contracts, Etc. | |
| | | 38 | Unrealized Appreciation - Portion of distribution that represents net unrealized appreciation in securities of the employer corporation (or subsidiary or parent corporation) attributable to employee contributions. |
| | | 39 | Other Income - actuarial value of annuity contract or retirement bond, retirement account exchange or death benefit payment that is part of a lump-sum distribution. |
| | | 80 | Gross Distribution - total amount of distribution from pensions (including disability), profit-sharing plans, retirement plans, employee savings plans and/or annuities before income tax or other deductions are withheld. Includes premiums paid by a trustee or custodian for current life or other insurance protection, or IRA or SEP distributions. Savings Bonds distributed from a pension plan, death benefit payments and death payments made by employers that are not part of a plan. In the case of a |

DOC CODE and INCOME INDICATOR

| Doc. Code | Document | Income Indicator | Type of Income |
|----------------|--|---------------------|--|
| | | | distribution representing CDs, the net amount is reported. |
| 98 (Cont'd) | 1099-R | | |
| | Non-Payment Indicator 1 (position 542) <u>Total Distribution</u> b = Not checked 1 = Total Distribution | | |
| | Non-Payment Indicator 2 (position 543) <u>Category of Distribution (Cont'd)</u> b = Not significant 1 = Premature payment 2 = Premature distribution 3 = Disability 4 = Death 5 = Prohibited transactions 6 = Section 1035 exchange 7 = Normal distribution 8 = Excess contributions refunded plus earnings 9 = PS 58 costs A = Qualifies for 10-Year averaging D = Excess contributions plus earnings/excess deferrals taxable in 1987 E = Excess annual deductions under Section 415 F = Charitable gift annuity G = Direct rollover to IRA H = Direct rollover to qualified plan or tax sheltered annuity J = Distribution from a ROTH IRA in 1 st 5 years L = Loans Treated as Distribution M = Distribution from an Education IRA P = Excess contributions refunded plus earnings on such Contributions in the prior year N = RRB-Tier 1 NSSEB W = RRB-Vested Dual Benefit (Windfall) S = Early Distribution from a Simple IRA T = RRB-Tier 2 Z = RRB-Supplemental (position 544) same as Category of Distribution, first position (one or both may be set). | | |