

Breakfast **Bites**

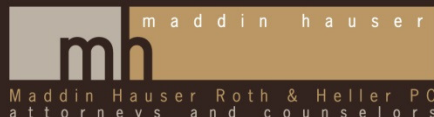
Affordable Care Act
5 Things to Know

AFFORDABLE CARE ACT

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5 Things to Know

1. Employer Responsibilities
2. Analyzing Employee Categories
3. PEO and Staffing Issues
4. Employee Disclosures
5. IRS Reporting

Employer Responsibilities

- Under 50 FTE
- Special Rules for 50 to 99 FTE
- 100 or More FTE
- Special Rules for 100+

Special Rules for 50 to 99 FTE

- 2014 is the Determination Year
- Conditions for No “Pay or Play” Penalty for 2015
- 2/9/14 to 12/31/14 Determination
 - Workforce size or hours
 - Health coverage
 - 95% of dollar amount or same percentage
 - Eligible classes
- No Plan Year Change after 2/9/14

Special Rules for 50 to 99 FTE - Conditions for Transitional Relief -

IRS Final Regulations provide that:

- The transition relief applies to all calendar months of 2015 plus any calendar months of 2016 that fall within the 2015 plan year.
- It is not available for an employer that modifies its plan year after February 9, 2014, to begin on a later calendar date (for example, changing the start date of the plan year from January 1st to December 1st).
- An employer with a non-calendar year plan meeting the coverage maintenance period requirements for 2015 may be eligible for the relief for 2015 even if the employer does not meet the coverage maintenance period requirements later (during the portion of the 2015 plan year falling in 2016).

ACA Small Group Changes

- “Small” Group Increases From 50 to 100 Employees on 1/1/16 – State Issue
- Small Group
- Large Group

ACA Small Group Changes **- Plan Year Problems -**

- Avoiding Small Group Designation
- PACE

Employers With 100+ FTE

- Transitional Rules
- 1/1/15 or First Day of 2015 Plan Year?
- Fiscal Year Plan
- December 27, 2012 is Not a Holiday

Employers with 100+ FTE Delay Compliance Until 2015 PY

- Requirements – Easy Test
 - Fiscal Year Plan or Policy
 - Pre-2015 Eligibility – 9.5%
- Alternative Tests

Employers with 100+ FTE

Delay Compliance Until 2015 PY

4 Alternative Tests

- Actually covered one-fourth of all employees (full-time and part-time) on any day between February 10, 2013, and February 9, 2014; or
- Actually covered one-third of full-time employees (30+ hours/week) on any day between February 10, 2013, and February 9, 2014; or
- Offered coverage to one-third of all employees during the last open enrollment; or
- Offered coverage to half of full-time employees during the last open enrollment; and
- Affordable, minimum value coverage must be offered to applicable employees as of the start of the 2015 plan year.

Employers with 100+ FTE

- What does Fiscal Year Transition Relief Mean?
- 70% Test May Subject Employer to the \$3,000 IRC 4980H(b) Penalty

Applicable Large Employer Determination

- “Applicable Large Employer” Defined
- Failure to Offer Health Insurance Coverage - \$2,000 – IRC 4980H(a)
- Failure to Pay a Specific Amount - \$3,000 – IRC 4980H(b)

Analyzing Employee Categories

- Full-Time Employee Analysis
- Use 2014 for 2015
- New Full-Time and Hourly Employee
- Ongoing Employees
- Seasonal Employees

PEO and Staffing Company Issues

- Short-Term Staffing
- PEO
- IRS Safe Harbor

Employee Disclosures

- DOL Marketplace Notice
- 60 Day Notice of Changes
- ERISA SPD Issues
- W-2 Reporting
- SBC
- Form 1095-B/1095-C
- Insurance Rebates - MLR

Form 1094/1095 Reporting and Disclosures

- New Reporting in 2016 for 2015
- Fully-Insured
- Small Self-Insured
- Large Employers
- Multiemployer Plan

Form 1094/1095 Reporting Required

	Small Employer	Large Employer
Fully-Insured	None	Form 1094-C Form 1095-C
Self-Insured	Form 1094-B Form 1095-B	Form 1094-C Form 1095-C

- Electronic Filing Requirement - 250

Form 1094/1095

Controlled Group Issues

- W-2s
- Form 1095-C
- FICA / FUTA / SUTA

Future

- 2016 – Employers with 50+ FTE Are In
- 2017? – Automatic Enrollment
- 2018 – Cadillac Tax
- ? – Non-Discrimination Rules for Fully-Insured Plans