



In this issue:

- Employer Reporting Requirements Under ACA
- Reinsurance Fees
- 2015 Cost-Sharing Limits (Non-Grandfathered Plans)

March 2014 continues to bring employers a steady stream of final regulations related to the Affordable Care Act. Recently, final rules were released on employer reporting to the IRS as required under Section 6055 and 6056, as well as confirmation on the reinsurance fees and payment process.

Employer Reporting Requirements Under ACA

Under ACA, employers have two significant reporting requirements to the Internal Revenue Service (IRS), which will assist the agency in enforcement of the individual and employer shared responsibility requirements and to administer the premium assistance tax credit.

Section 6055 requires the Issuers (fully insured plans) or in the case of self-insured plans, the Employer, to report for each individual to whom minimum essential coverage (MEC) is provided. Employers must also provide a statement to each individual. This reporting is intended primarily to support the IRS enforcement of the individual mandate.

Section 6056 requires large employers subject to the "shared responsibility" provisions of the ACA to report information to the IRS about the health care coverage provided to full-time employees. As with the Code section 6055 reporting, a statement is also provided to each individual. This reporting will support the IRS enforcement of the employer shared responsibility provisions. The statement provided to the employee will be used to determine eligibility for the individual premium tax credit. Employees are not eligible for the tax credit if their employer offers minimal essential coverage that is considered affordable, and provides minimum value.

The final regulations allow employers to report the information required under Code Section 6055 on a single form that also contains the information required under Code Section 6056. Such applicable large employers will provide the required information and transmittal on Form 1095-C and Form 1094-C. Employers with self-insured plans will complete both sections of form 1095-C. Employers with insured plans would use the same form but only complete the section relating to 6056 reporting requirements. The insurer would independently report section 6055 information on a separate form. Additional clarification is expected to determine whether employers may provide the 1095-C within the same mailing as the W-2.

The required information must be submitted to the IRS by February 28 (March 31, if filed electronically) of the year following the calendar year in which coverage is provided, and the required individual statement must be provided by January 31 of the year following the calendar year in which coverage is provided. Employee statements under the Reporting Requirements cannot be provided electronically unless the employee affirmatively consents to receive the statements electronically.

Although the final regulations issued under Code Section 4980H provide transition relief for employers with at least 50 but fewer than 100 employees, the final regulations under the Code Section 6056 reporting requirement provide that employers eligible for such relief must still file information returns for 2015.



Reinsurance Fees

The Reinsurance Assessment Fee is applicable to insured and self-funded major medical plans for calendar years 2014 through 2016. Its intent is to lessen the impact of high-dollar claims occurring within the state or federally run healthcare exchanges. The 2014 fee is remains \$63 per person. Payments will be collected in two installments: \$52.50 in January 2015 and \$10.50 late in the fourth quarter of 2015.

The 2015 fee is confirmed at \$44 per person. It was also confirmed that self-funded group health plans that also perform their own claims processing, will be exempt from making reinsurance contributions for 2015 and 2016.

2015 Cost-Sharing Limits (Non-Grandfathered Plans)

Maximum Annual Out-of-Pocket Limits

- \$6,660 for individual coverage
- \$13,200 for family coverage

Small Group Insured Deductible Limits

- \$2,050 for individual coverage
- \$4,100 for family coverage

While it's important to familiarize yourself with the Affordable Care Act's almost weekly release of final regulations, it is critical to keep working on processes related to the heavy administration burdens, such as variable hour tracking. Even though the employer mandate was pushed back to 2015, the look-back period for variable hours will need to include some portion of 2014.

At the very least determine:

- Are you a "large employer" (do you employ 50 or more full-time employees and full-time equivalents)?
- Do you have variable-hour employees (substitute teachers, per diem staff, etc.) who would qualify as full-time by working an average of more than 30 hours a week or 130 hours a month?
- Do those employees make up more than 5% of your total full-time employees?

If you answered "yes" to all of these questions, you need to plan how to manage these hours, as well as track these hours and provide insurance.

Evolution Benefits Consulting is here to help with all of your employer benefits questions. Please contact us at (610) 722-0570 or info@evoben.com for more information. Thank you.