



Employer Recordkeeping is Critical!

How will employers avoid paying penalties?

- **IRS will contact employers** to inform them when it's employees attempt certification for a premium tax credit to purchase health insurance on the Exchange
- After they file their Sec 6056 information return required beginning with their 2014 plan year (identifying their FT employees and describing the coverage offered), *employers may be contacted to substantiate information reported*
- *Upon audit, if a discrepancy is found, an employer will be provided an opportunity to respond before any liability is assessed or notice of demand for payment is made.*
- **Employers need to have accurate records to support that they offered their eligible FT employee's an "affordable" and "minimum coverage" plan**





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The future of Employer Reporting under PPACA?

- **IRS will require employers** to report certain information on employer-sponsored health coverage under Sec. 6056. Reporting will begin in 2015 for coverage provided on or after January 1, 2014:
 - “(A) the name, date, and employer identification number of the employer,
 - “(B) a certification as to whether the employer offers to its full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan
 - “(C) if the employer certifies that the employer did offer to its full-time employees (and their dependents) the opportunity to so enroll—
 - ✓ “(i) the length of any waiting period
 - ✓ “(ii) the months during the calendar year for which coverage under the plan was available,
 - ✓ “(iii) the monthly premium for the lowest cost option in each of the enrollment categories
 - ✓ “(iv) employer’s share of the total allowed costs of benefits provided under the plan,
 - “(D) the number of full-time employees for each month during the calendar year,
 - “(E) the name, address, and TIN of each full-time employee during the calendar year and the months (if any) during which such employee (and any dependents) were covered under any such health benefits plans, and
 - “(F) such other information as the Secretary may require.



The Importance of Classifying Employees

Who – identify WHO, under your organization’s existing employment policies, are currently classified as Full-Time, Part-Time, seasonal employees

What – know WHAT the “measurement” rules are for different employee groups (new or on-going)

When – determine WHEN employees will meet the PPACA definition of “Full-Time” employee based on tracking their hours worked

IT'S ALL ABOUT TRACKING AND KEEPING GOOD RECORDS!!!!



Employee Status



All W-2 employees NOT offered “qualifying” coverage today need to be considered and tracked



Independent Contractor status vs. Employee status is important



Common Example:









Employees who retiree are retained under an independent contractor agreement, but work solely for the employer they retired from and receive healthcare plan coverage under that employer’s retiree plan (Medicare eligible?)





Variable Hour Employees

-  Establishing A Tracking Program For Employee Hours
 -  Look-back “safe-harbor” rule
 -  Standard Measurement Period
 -  Initial Measurement Period
 -  Administrative Protection Period
 -  Stability (or Coverage) Period