

ACA Compliance Roundtable Series

Reporting under ACA- Beginning at the End



Welcome to the ACA Compliance Roundtable Series!!!

- Monthly discussion of specific health care reform related topics
- Small group discussions
- Address individual questions or concerns
- Possible session topics:
 - Transition Relief
 - Change in Employment Status
 - Related Entity Status
 - Offers of Coverage
 - Break in Service rules
 - Tracking/recordkeeping Application

ACA Compliance Continuum

Affordability

Penalty
Assessment

Reporting

Tracking

Coverage
Status
Monitoring

- Introduction
- Reporting Overview
- General Method
- Alternative Methods

Introduction

- Employers are struggling with the tracking portion of Employer Mandate
- Instead of looking at the specific requirements of tracking, look at the required end-result
- What must employers produce to demonstrate compliance with the Employer Mandate?

Introduction

- What must employers produce to demonstrate compliance with the Employer Mandate?

Reports to the IRS!!!!

- By looking closely at reporting requirements may help employers identify what needs to be tracked and captured throughout the year

Reporting Overview

- Individual statements
 - similar to W-2 reporting
 - required for each full-time employee or former employee
 - Use IRS Forms 1094-C and 1095-C
 - Must be provided no later than January 31
- Single transmittal to IRS for all returns filed during the year
 - Must be filed electronically if 250 or more returns are filed during the year
 - Must be filed with IRS no later than February 28 (March 31 if filed electronically)

Reporting Overview

- Non-calendar year plans will report for only the applicable months in year one but will always report on a calendar year
- ***IRS will contact employers*** when its employees attempt certification for a premium tax credit to purchase health insurance on the Exchange
- After the Section 6056 information return is filed *employers may be contacted to substantiate information reported*
- Prior to liability assessment or notice of demand, an employer will be provided an opportunity to respond if a discrepancy is found

Reporting Overview

Employers need to have accurate records to support that they offered an “affordable” and “minimum value” plan to all those who qualify as eligible FT employees!!!!

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- Decisions made in 2014 could be audited as late as 2022
 - Plan Year
 - Initial and Standard Measurement Periods
 - Administrative Protection Period
 - Stability Period
 - Waiting Period
 - Hours of Service method used
 - Affordability Safe Harbor used
 - PCORI and Reinsurance Fee calculation method used (i.e., snapshot method)
 - Responsibility for tracking, filing, paying fees if “common control” situation

Reporting Overview

Employers NOT Required to Report

- Less than 50 FTE and offer only insured coverage (Carriers will report on their behalf)

Employers Required to Report

- All self-funded employers regardless of size
- More than 50 FTE and offer insured coverage (Carrier will provide reporting regarding MEC and MV)

Reporting Overview

- Government entities may designate responsibility for reporting to another government entity
 - City reporting on behalf of a Court
- All employers may designate responsibility to a third party.
- Designation form must be signed by both parties
 - Form clearly identifies which groups are being reported by the designee
 - Designee must accept responsibility for reporting as well as penalties

Group Discussion

General Reporting Method

General Method (Required information):

Employer Level (1094-C):

- Approximately 9 different data items identifying employer and employees, describing coverage status and number of individuals offered coverage by month and other plan level information.

Employee Level (1095-C):

- 8-10 data items identifying an employee, reporting months employee was covered, and other information regarding an employee's (and their dependents) coverage during the year.

General Reporting Method

- Certain items require specific information, others require an “indicator code”
- Forms (1094, 1095) and instructions to be released later in 2014
- Some further data may be required

Group Discussion

Alternative Reporting Methods

- General Reporting Method
- Qualifying Offer Method
- 98% Offer Method
- 2015 Transition Relief Offer Method

Alternative Reporting Methods

- Employers can use one or more available Methods
- Employers may NOT know if they qualify under a particular “Simplified Method” until the end of their plan year.
- Employers should be prepared to report under the more detailed “General Method” for at least some employees



98%
Offer
Method

Qualifying Offer Method

General Reporting Method

Alternative Reporting Methods

Qualifying Offer Method:

- Employers certifies that:
 1. All employees in a class were offered coverage that met MV and MEC for all 12 months (employees only eligible a portion of the year would be reported under the general method)
 2. Cost of lowest cost plan for “employee only” coverage was less than 9.5% of FPL (\$92.38/month in 2014)
 3. MEC coverage was offered to spouse and dependents for each month the employee was eligible for coverage

Alternative Reporting Methods

98-Percent Offers Method:

1. Employers certifies that:
 - a. Plan is offered to at least 98% of total employees (full and part-time) and their dependents
 - b. Plan offered meets MV and employee only contribution for the lowest cost plan satisfies any of the affordability safe harbor rules
2. Employer submits certification on Form 1094 – C (Employer Transmittal).

Alternative Reporting Methods

Qualifying Offer Method(Variation for 2015 Only):

1. Applies only to employers with 50-99 full-time employees
2. Employer certifies that it meets the eligibility requirements for Transition Relief delay
3. Must still provide an offer of coverage to at least 95% of full-time employees, spouses and dependents
4. Will not have to provide form to employee (but will have to provide a Notice indicating they are not eligible for a tax credit)

Group Discussion

Roundtable Series

- Monthly discussion of specific health care reform related topics
- Smaller group
- Address individual questions or concerns
- Invitation with specific details forthcoming
- First two sessions
 - Transition Relief
 - Tracking Tool

How Will You Handle ACA Compliance...

Affordability

- 95% Rule
- Hours of Service
- Potential Liability Calculation
- Month-by-month Calculation

Tracking

- Variable Hour Employee
- Standard Measurement Period
- Initial Measurement Period
- Month-by-month Calculation

IRS Reporting

- 6055/6056 Reporting
- Indicator Codes
- Potential Audit
- Month-by-month Calculation

One Solution for all Employer
Mandate Requirements

The screenshot shows a web-based interface for generating reports. At the top, it says 'Reports' and 'Employer Reports'. There are several sections for filtering reports: 'Date Driven Reports' with 'Between' and 'and' dropdowns, and buttons for 'Changed EE Category', 'Changed FT Status', and 'Changed Seasonal Status'. Below this are three main report categories: 'Tracking Reports', 'Ready Reports', and 'Employee Coverage Gaps'. 'Tracking Reports' includes 'High Year' (with a dropdown and '(other year optional)'), 'Employee Tracking Periods', 'Employee Stability Periods', 'Measurement Periods', and 'Employee Payroll Gaps'. 'Ready Reports' includes 'Year' (dropdown), 'Add Detail Report', 'Add Summary Report', and 'Monthly Summary'. 'Employee Coverage Gaps' includes 'Unreported Coverage', 'Terms before Stability End', 'New EE Inactive Status', 'Changing EE Inactive Status', and 'Determined FT EE Status'. There are also 'All', 'Cancel', and 'Don't cancel' buttons for several sections.

If you are ready to be ready for the Employer Mandate,
contact Cornerstone Municipal Advisory Group at 248.878.2100 for a solution

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Questions

