

Affordable Care Act (ACA) Bill 03.23.10; Reconciliation 03.30.10

Regulatory Reporting Education Calendar Year 2017

Political Subdivision Synergy

Engaged in Managing the Healthcare Dollar by Optimized
Efficient Performance Based Outcome

October 17, 2017 3:00

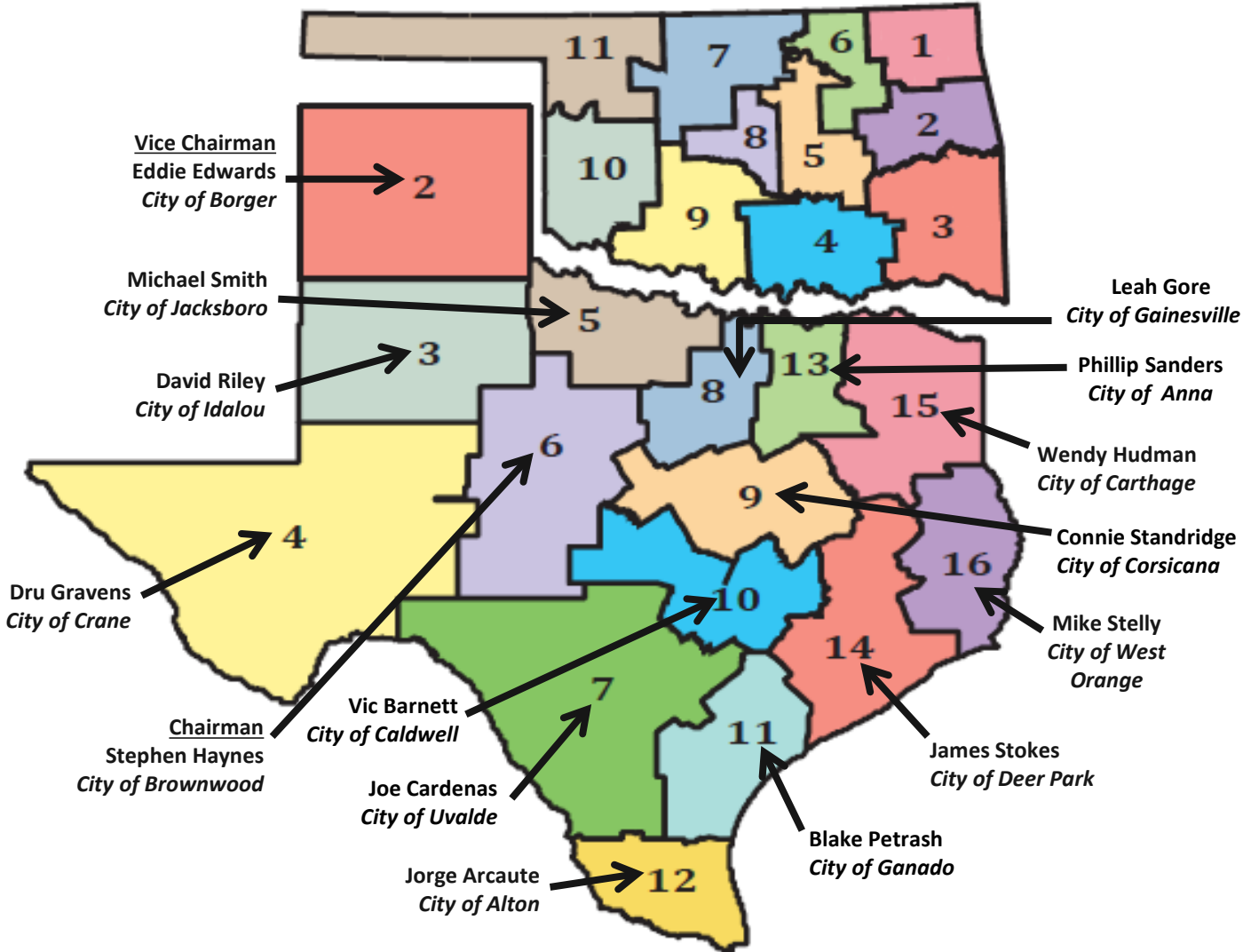
November 7, 2017 3:00

To comply with IRS regulations, we are required to notify you that any advice contained in this material that concerns federal tax issues was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax related penalties under the Internal Revenue Code, (ii) promoting, marketing, or recommending to another party any matters addressed herein.

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Mission Statement

To provide excellent service offering competitive health benefits and administrative services to eligible municipalities and other governmental entities in Texas and other states by utilizing innovative, viable, affordable alternatives while maintaining financial integrity



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250 or more W-2 Form Reporting Requirements

Regulatory Requirement	Definition	Penalty Amount
<p><u>W-2 Reporting</u></p> <ul style="list-style-type: none"> ▪ Employers with <u>250 or greater</u> W-2 forms 	<p>Identify cost of healthcare benefits per participant per year via one of the following census calculations:</p> <p><u>Actual</u>: Census Per Month/Days in month</p> <p><u>Snapshot Factor</u></p> <ul style="list-style-type: none"> ▪ March 5, 2017 ▪ June 5, 2017 ▪ September 5, 2017 <p><u>Census on Most Recent 5500</u></p>	<p>Penalty Applied for non-compliance</p> <ul style="list-style-type: none"> ▪ \$30 per each form maximum <ul style="list-style-type: none"> – \$250,000 per year if filed by March 30th ▪ \$60 per each form maximum <ul style="list-style-type: none"> – \$500,000 per employee per year if form filed after August 1st
<p>Employer <u>Illegal Dumping</u> Prohibitions and Penalties</p>	<p>Sending employees to the insurance marketplace with a tax-free contribution to pay for insurance is prohibited</p>	<p>\$100.00/day per employee</p>

Excise Tax after December 31, 2019: 2020

Regulatory Requirement	Definition	Penalty Amount
<ul style="list-style-type: none"> ▪ Excise Tax 2018/Delayed until 2020: Congressional Budget Office predicts the nation’s employers will pay over \$3 billion for the Cadillac tax in 2018, but, with healthcare costs increasing faster than inflation, it expects the burden on employers to rise, doubling to \$6 billion in 2019. ▪ Unless employers transition to high deductible health plans ▪ Taxable period will be the calendar year for all plans. ▪ The “Cadillac” tax on high-end insurance plans is also under bipartisan political fire. Recent studies show that about a quarter of employers who offer health plans would be subject to the tax, which goes into effect in 2018. ▪ Discussion Cadillac Tax vs. Capping the Tax Exclusion. Debate under current law, the value of both employer and most employee contributions for health insurance are excluded from employee federal income tax and employer and employee payroll taxes. 	<ul style="list-style-type: none"> ▪ Individual \$10,200; Family \$27,500 (second notice released by IRS February 23, 2015) ▪ Retirees and High Risk Professions Individual \$11,850; Family \$30,950 ▪ Administrative Penalty July 20, 2015 the Treasury Department and Internal Revenue Service released Notice 2015-52, which offers additional guidance regarding the implementation of the Excise Tax on High Cost Employer-Sponsored Health Coverage. ▪ <i>December 2015: The budget deal negotiated on Capitol Hill would strike a \$35 billion hold in Obamacare's financing, but the real concern that is now scaring economists is that the moratorium on three taxes is just the start of permanent repeal.</i> ▪ <i>The 2 year delay of the Affordable Care Act's Cadillac Tax on high-cost health plans will eliminate nearly \$16 billion in government revenue.</i> 	<ul style="list-style-type: none"> ▪ 40% Excise Tax Taxable Years beginning after December 2017 <ul style="list-style-type: none"> ‣ [40% x (coverage divided by threshold) = amount of applicable tax liability] ‣ Considering the filing of Form 720, quarterly Federal Excise Tax Return, as the appropriate method for the payment of the tax ▪ Taxable Period <ul style="list-style-type: none"> ‣ Calendar Year ▪ Coverages in Discussion “applicable coverage” <ul style="list-style-type: none"> ‣ Employer Funded Premium/Contributions ‣ Employer Funded Section 125 Plans ‣ Employer Contributions to HSAs ‣ On-Site medical clinics excluded if offer only to active medical employees ‣ Limited scope dental and vision ‣ Employee Assistance Programs ▪ Non-Applicable coverage <ul style="list-style-type: none"> ‣ Accident, disability ‣ HSAs funded with employee after tax contributions ‣ Long Term Care ‣ Insured stand-alone dental and vision ‣ Fixed dollar indemnity and specific disease or illness “excepted benefits” (if 100% funded after tax by employee) ▪ Responsible Party to Pay Excise Tax (In Comment) <ul style="list-style-type: none"> ‣ Self-Funded Employer ‣ Plan Administrators ▪ Payment of the Tax: The Treasury and IRS are considering using the existing Quarterly Federal Excise Tax Return (Form 720) as the vehicle for paying the tax.

ACA Annual Plan Notification Requirements

- ▶ CHIPRA/Medicaid Notice
- ▶ Medicare Part D Notice
 - Model individual disclosure notice of creditable coverage
 - Model individual disclosure notice of non-creditable coverage
- ▶ HIPAA Privacy Notice
- ▶ Women's Health and Cancer Rights Act Notice
- ▶ Newborns' and Mothers' Health Protection Act Notice
- ▶ Notice of Insurance Marketplace
- ▶ Insurance Marketplace Addition/Deletion as a Qualifying Event
- ▶ Plan Year Benefit Modifications

Patient Centered Outcome Research Institute (PCORI)

Plan Years Ending	Plan Years Starting (assumes 12 mo plan yr)	Due Date	PCORI Amt/ Est PMPY	Actual or Projected?
Jan.-Sep. 2017	Jan. 2, 2016 - Oct. 1, 2016	Jul. 31, 2018	\$2.26	Projected
Oct.-Dec. 2017	Oct. 2, 2016 - Jan. 1, 2017	Jul. 31, 2018	\$2.36	Projected
Jan.-Sep. 2018	Jan. 2, 2017 - Oct. 1, 2017	Jul. 31, 2019	\$2.36	Projected
Oct.-Dec. 2018	Oct. 2, 2017 - Jan. 1, 2018	Jul. 31, 2019	\$2.46	Projected
Jan.-Sep. 2019	Jan. 2, 2018 - Oct. 1, 2018	Jul. 31, 2020	\$2.46	Projected

Pending Regulatory Compliance Deadlines/3 year Record Retention

▶ IEBP Solutions for Regulatory Reporting 6055 and 6056 Calendar Year 2017

- IEBP will purchase at bulk rates Individual Transmittals in 10,000 increments. Employer will be billed for the following:
 - Transmittal corrections will be an additional \$0.9130/**\$1.10** fee per employee individual transmittal plus admin fee
- ACA Requirement Deadline Date
 - 1095-C forms delivered to employees: 1/31/2018
 - Paper Filing with IRS: 2/28/2018
 - e-Filing with IRS: 3/31/2018
- Affordability: Healthcare Costs < 9.69 in Box 1 W-2 Form
- Essential Benefits
- Maximum Out of Pocket (MOOP) Compliance

Reporting Requirement	Employee Date	IEBP Date	IRS Date
Individual Transmittal Delivered to Employee	January 31, 2018		
Aggregate Reporting Paper Filing < than 250 W-2 Forms			February 28, 2018
Aggregate Reporting IEBP/Greatland Electronic E-Filing Download to IRS			March 31, 2018

W-2 The vast majority of individual taxpayers will not be affected by this extension. Like last tax filing season, most individuals will simply check a box on their tax return indicating they had health coverage for the entire year.

If the due date falls on a Saturday, Sunday, or legal holiday, you can provide the copy on the next business day.

Form Use

- ▶ Individual Mandate 6055 - Use (ALE and Non-ALE Fully-Funded Plans)
 - Form 1094-B (fully insured transmittal to the IRS)
 - Form 1095-B (fully insured individual transmittals to employees and reports to IRS)
- ▶ Employer Mandate 6056 - Use (ALE Self-Funded Employers > 50 employees)
 - Form 1094-C (ALE transmittal to the IRS)
 - Form 1095-C* (ALE individual transmittals to employees and reports to IRS)

Important Information

1095-B (Health Coverage)

- ▶ What does Employee Need to Do?
 - Fully-Funded Plans ALE and Non-ALE
 - Ensure Employer has accurate demographic, date of birth and social security information
 - Employee receiving the 1095-B form for documentation compliance for the Insurance Mandate
 - Keep Form 1095-B with other important tax information, like Form 1099 or W-2.
 - Self-Funded ALE
 - 1095-C form for documentation compliance for the Insurance Mandate
 - Keep Form 1095-C form with other important tax information like Form 1099 or W-2
 - Benefit Covered Individual
 - Keep Form 1095-B or C forms with other important tax information like Form 1099 or W-2 information.
 - Other instructions are available at www.irs.gov/uac/about-form-1095-b.

Reporting Notification

- ▶ What should the political subdivision do if they receive a notice from the Marketplace stating that an employee received a subsidy for individual health insurance?
 - Marketplaces are required to send notices to employers regarding employees who purchase coverage through the Marketplace and qualify for a subsidy.
 - The notice will be sent regardless of whether an employer is subject to the play or pay mandate and are not intended to be an official notification of excise taxes under Internal Revenue Code Section 4980H.
 - The notice the employer receives will identify the employee, indicate the employee has been determined eligible for a Marketplace subsidy and notify the employer that it may be liable for the excise tax assessed under Code Section 4980H, and if so, that the employer has a right to appeal the decision.
 - This is the employer's opportunity to correct the information provided by the employee if it is inaccurate and protect the employer from later being incorrectly assessed an excise tax.
 - Employers may choose not to appeal and see if the IRS attempt to assess excise taxes following the employer's 6056 reporting in early 2016.

Reporting Notification

- ▶ What should the political subdivision do if they receive a notice from the Marketplace stating that an employee received a subsidy for individual health insurance?
 - Employers will be allowed 90 days from the date of the subsidy notice to request an appeal and submit relevant evidence to support the appeal.
 - The Marketplace will accept appeal requests by telephone, mail, via the internet, or in person (if possible) and will provide assistance if requested.
 - Employers should remember, that these notices are NOT an official notification of excise taxes under Internal Revenue Code Section 4980H.
 - This assessment likely would not be received until mid-2016 or later, and the employer could challenge the assessments at that time.
 - An employer choosing not to appeal a Marketplace notice may want to inform the employee it believes he or she should not be receiving a subsidy and should discuss the matter with the Marketplace representative to avoid a possible subsidy payback situation.

Subsidy Payment Concerns

- ▶ **The latest OIG report finds problems with verifying plan eligibility and data inconsistencies include:**
 - Social Security numbers were not always validated through the Social Security Administration.
 - Citizenship was not always verified properly.
 - Annual household income was not always verified properly.
 - Family size was not always determined correctly.
 - Inconsistencies related to certain eligibility requirements were not always resolved or expired properly.
 - Applicant data and documentation related to resolving inconsistencies were not always maintained properly.

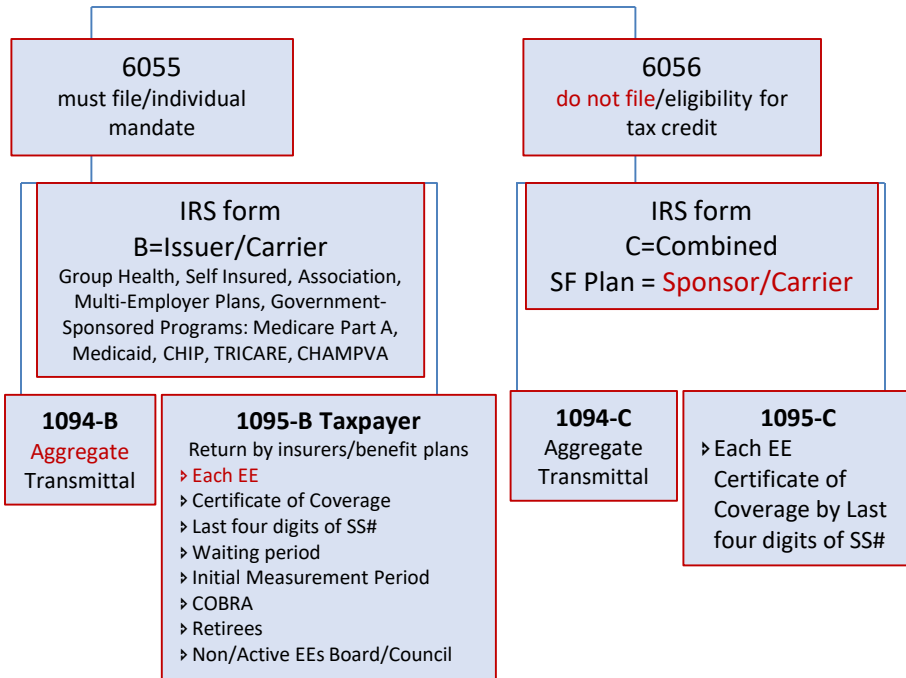
Tax Form 8962

- ▶ Washington states about 1.8 million households that got financial help for health insurance under President Obama's law have issues with their tax returns that could jeopardize their subsidies next year.
- ▶ The national average was \$272 a month, covering roughly $\frac{3}{4}$ of the premium.
- ▶ Consumers that received tax credits are required to file tax returns that properly account for them.
- ▶ About 760,000 households that received tax credits and/or requested tax returns omitted a new form that is the key to accounting for the subsidies called form 8962.
 - This form is new for this year's tax filing season.

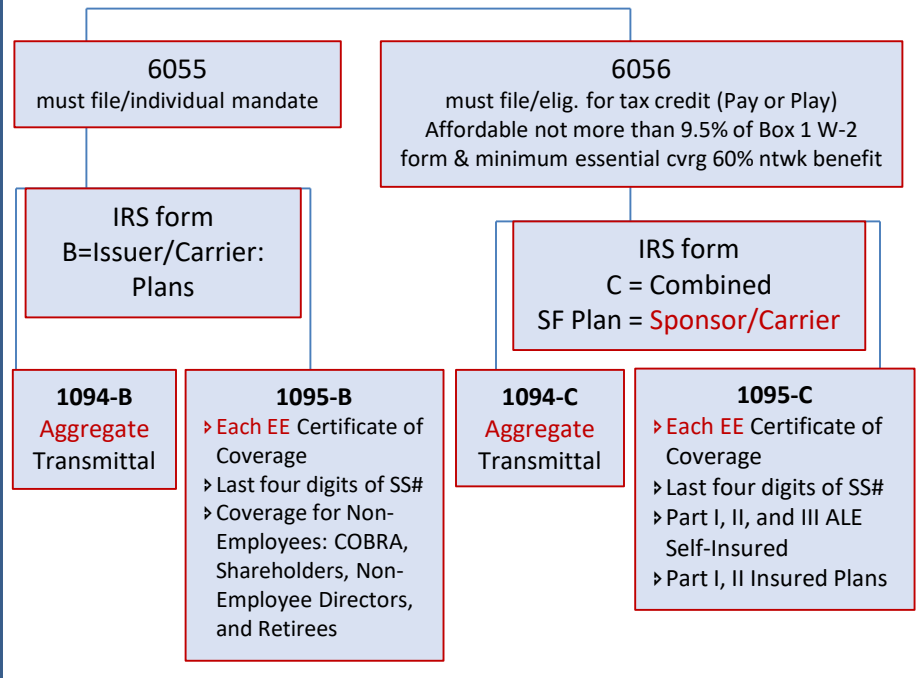
Calendar Year 2017 Minimum Essential Benefit Coverage Regulatory Reporting Requirements

Individual Transmittal delivered to employees by 1.31.18; <250 W-2 Forms may be filed by paper by February 28th; >250 W-2 Forms will be filed electronically by March 31st. IEBP will file all employer aggregate files electronically by March 31st. If a deadline date falls on Sat/Sun/Legal Holiday-next business day will be due date. Transitional Relief Terminations

Small Employers (<50 EEs)



Applicable Large Employers ALE (≥50 EEs)



For Section 6055 1094-B Aggregate 1095-B Taxpayer:

- Reporting required by anyone that provides minimum essential coverage.
- Affordability Healthcare Cost: ≤9.69% Box 1 W-2 Form
- This report is used to determine months in which an individual is covered by minimum essential coverage. (Section 5000A)
- Essential Benefits:** The 2010 Affordable Care Act (ACA) set forth the following ten categories of essential health benefits (minimum value at least 60% network cost, not in excess of PPO or IRS MOOP requirements: Ambulatory patient services (outpatient care) | Emergency services | Hospitalization (inpatient care) | Maternity and newborn care | Mental health and substance use disorder services | Prescription drugs | Rehabilitative and habilitative services and devices | Laboratory services | Preventive and wellness services and chronic disease management | Pediatric services, including oral and vision care; Health insurance plans must cover these benefits, i.e.: they must cap employee's out-of-pocket spending and must not limit annual and lifetime coverage; waiting periods not in excess of 90 days

For Section 6056 1094-C Aggregate 1095-C Taxpayer:

- Information about the employer offering coverage (incl. contact information and # of full-time employees).
- For each full-time EE, information about the coverage (if any) offered to the EE, by month, incl. the lowest EE cost of self-only coverage offered.
- This report is used to determine an EE's eligibility for premium tax credit. (Section 4980H)
- ALE Beneficiaries documented by Measurement/Stability/Look Back Periods**
 - » Biologic and Adoptive dependent children to attained age of 26
 - » Seasonal Employees who work 120 days a year
 - » Full-time and Part-time Equivalent Employees: 30 hours a week/130 hours a month/1560 hours a year
 - » Paid interns, work study, and Grant employees
 - » Contract employees per State Law and Contract
 - » Volunteer Firefighters, worker's compensation employees and COBRA participants in review
 - » Employees with a break in their work schedule of more than 13/26 weeks will be considered a new hire.
- Employee Census Count toward ALE classification, Exclude VA employees**

File: Department of Treasury, IRS Center, Austin, TX 73301; Oklahoma- Department of Treasury, IRS Center, Kansas City, MO 64999
Penalties are reported on IRS Form 8928. Reporting penalties under sections 6721 and 6722. Penalty Relief 2015 if good faith effort is documented.

ALE/Non ALE Census Count

- ▶ Applicable Large Employer (ALE) defined as ≥ 50 Full Time Employees or Full Time Equivalent Employees
 - Full Time Equivalent defined as total up part time hours divide by 30 hours a week, 130 hours a month or 1560 hours a year
 - Consecutive six month part-time position hours are included and converted into the full time equivalent calculation
- ▶ Full Time defined as 30 hours a week, 130 hours a month, 1560 hours a year
 - Additional Benefit Requirement for biologic/adoptive dependents to attained age 26
- ▶ On Call hours not directed to be used to determine hours of service unless called to work
- ▶ Employee Defined as non Veteran Administration, active or retiree who access the benefit plan
- ▶ Paid intern should be considered an employee if salary in excess of reasonable allowance for expenses
- ▶ Paid seasonal employee who work consecutive 120 days should be considered an employee
 - Non count of these employees was requested but not approved
- ▶ Paid variable hour employees who work consecutive 120 days should be considered an employee

ALE/Non ALE Census Count

- ▶ Spouses of Retirees who are not eligible for Medicare A and/or B that are enrolled in the Plan
- ▶ Union Employees
- ▶ Contract Employees will be included/excluded per State Law
- ▶ Grant Employees
- ▶ Debate if COBRA and Worker's Comp count toward aggregating Census Participants that do not work 30 hours a week
- ▶ Volunteer Fire Fighters are still in Discussion
 - Stated Volunteer Fire fighters and emergency medical providers un a municipal deferred compensation plan are still in debate if they are bona fide volunteer
 - Typically, Bona fide volunteers are excluded
- ▶ Members of Religious Order Outstanding
- ▶ Look Back Period Calculations are NOT used for ALE/Non ALE Census Counts
- ▶ High Turnover Positions could be a liability of full-time equivalent position is not counted in measurement period
- ▶ H-2A and H-2B employees are exempt for m the definition of employee

Measurement Period for FTE Calculation

- ▶ Here's an example for an employer with a calendar year plan that has chosen to use a 12-month measurement period, a 2-month administrative period, and a 12-month stability period:
- ▶ **For Plan Year 2016**
 - **Measurement Period**
 - Nov. 1, 2014 through Oct. 31, 2015
 - **Administrative Period**
 - Nov. 1, 2015 through Dec. 31, 2015 (with open enrollment during that period)
 - **Stability Period: Jan. 1, 2016 through Dec. 31, 2016**

Applicable Large Employer (ALE) Regulatory Benefit Plan Compliance

▶ Essential Benefit Compliance

- The 2010 Affordable Care Act (ACA) set forth the following ten categories of essential health benefits:
 - Ambulatory patient services (outpatient care)
 - Emergency services
 - Hospitalization (inpatient care)
 - Maternity and newborn care
 - Mental health and substance use disorder services
 - Prescription drugs
 - Rehabilitative and habilitative services and devices
 - Laboratory services
 - Preventive and wellness services and chronic disease management
 - Pediatric services, including oral and vision care
- 60% Benefit Coverage
- Ban on Rescissions
- Prohibition of Pre-existing
- Waiting Period not in excess of 90 days an additional 30 days can be added with documented orientation period
- Compliance with PPO or Qualified High Deductible Maximum Out of Pocket

Maximum Out of Pocket Accumulation

Health plans must cap people's out-of-pocket spending and must not limit annual and lifetime coverage

Plan Out of Pocket Accumulation Variables

Plan Deductible

Plan Out of Pocket

Plan Maximum Out of Pocket = Deductible Plus Out of Pocket

Plan Maximum Out of Pocket = Deductible Accumulates to Plan Maximum Out of Pocket

Plan MOOP Accumulation

Federal Government MOOP Accumulation

Most Cost Effective Network Eligible Copays Medical, Prescription and Biotech

All Out of Pocket Copays Medical and Prescription Accumulate to MOOP

All Out of Pocket Copays Medical and Prescription plus Penalty Fees

Plan Penalties/Notification Penalties DO NOT ACCUMULATE TO OOP

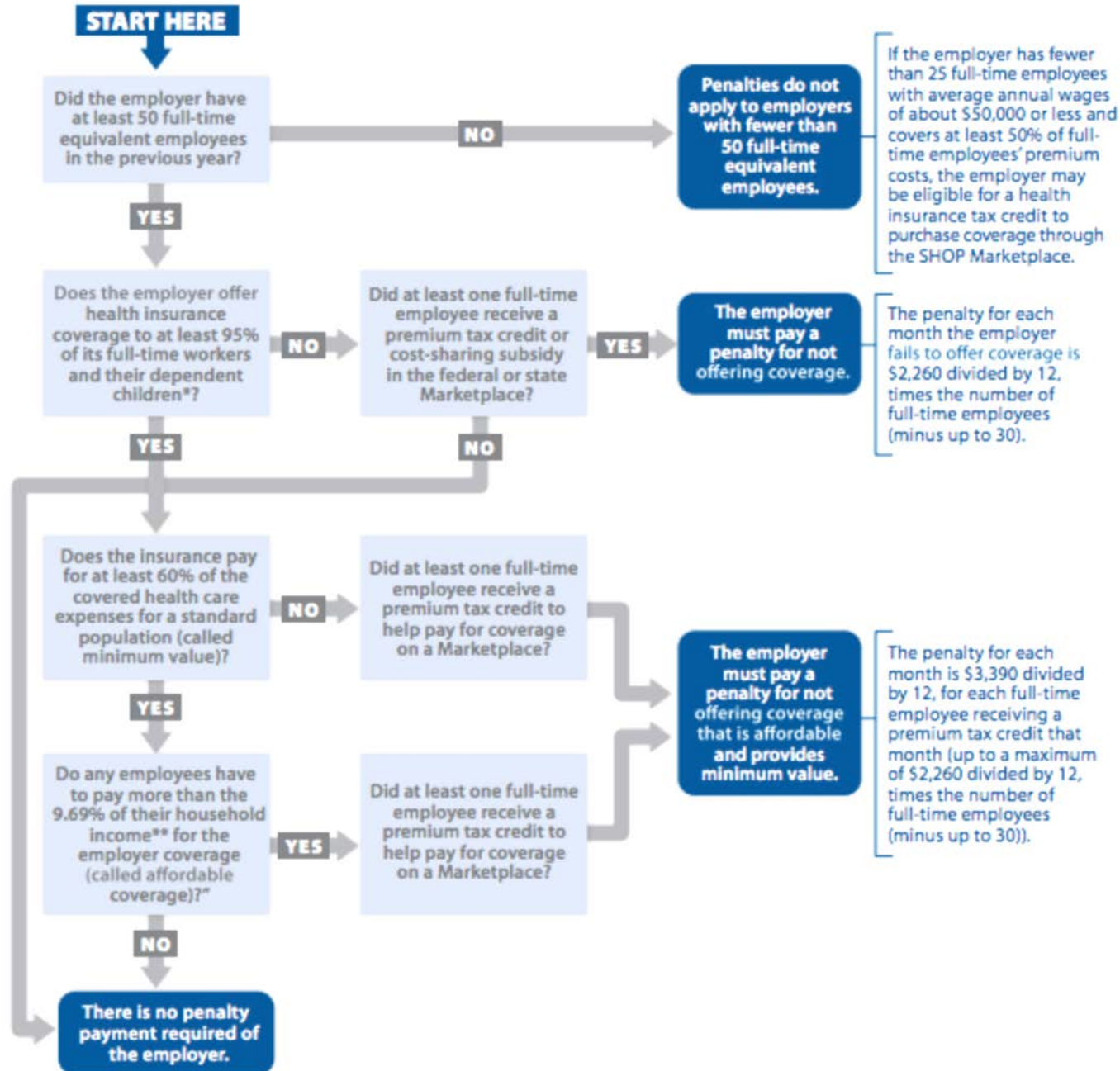
Applicable Large Employer (ALE) Regulatory Benefit Plan Compliance

- ▶ Employer offers health coverage to at least 95% of its full-time employees
- ▶ Regulatory ALE penalty is calculated by reducing the employer's number of full-time employees by the employer's error ratio of 30.
- ▶ Affordability: $\leq 9.69\%$ of box 1 on covered individuals W-2 Form

Regulatory Reporting Penalties

- ▶ Here were the penalties for employers not offering coverage under the ACA during 2017 These are the “A” and “B” penalties under Code Section 4980H
 - (A) penalties for failure to offer minimum essential coverage
 - **Penalty “A”** Carries a penalty of more than \$2,000 for each full-time employee not offered health insurance coverage by a business, if at least one full-time employee goes onto a healthcare exchange and obtains a tax subsidy.
 - (B) penalties for those that offer such coverage, but fail to meet minimum value and/or affordability requirements.
 - **Penalty “B”** Carries a penalty of more than \$3,000 for each employee who goes onto a healthcare exchange and obtains a tax subsidy if a business had offered that employee healthcare coverage, but that coverage was determined to be either unaffordable or did not provide minimum value as per ACA regulations.
- ▶ Although it may seem to some business owners the IRS would not be enforcing the employer mandate, a recently issued report by the **Treasury Inspector General for Tax Administration (TIGTA)** tells us **business owners may no longer be off the hook.**

Regulatory Reporting Penalty



Discussion Items with ALE and Non-ALEs

Trust and IEBP Self Funded Pool Filing Discussion

1. IEBP is a self-funded entity and we take risk on behalf of our Pool membership
2. IEBP purchases stop loss at **\$750,000** specific deductible because we are self-funded.
3. The IEBP Pool is self-funded but we were coached that each one of our members were fully-funded under the IEBP self-funded umbrella.
4. Due to the above information, IEBP identified each one of our Pool members as “Employer Sponsored Coverage” for Non-ALE employers and for the ALEs we identified the employer as non self-funded.
5. These decisions created no dependent drops on the 1095-C. The dependents did drop on the 1095-B.

1095-C may be delivered Electronically to Employees

- ▶ Identical requirements to Electronic W-2 form
 - The employee must affirmatively consent to receive Form 1095-C in an electronic format.
 - The consent may be made electronically in a manner that reasonably demonstrates that the employee can access the statement in the electronic format when furnished; alternatively, the consent may be made in a paper document that is confirmed electronically.
 - The consent may be made in a paper document that is confirmed electronically.
 - The consent requirement is NOT satisfied if the employee withdraws the consent, and the withdrawal takes effect before the statement is furnished.

Electronic Individual Transmittal Required Disclosures

- ▶ The employer must provide the employee with a clear and conspicuous disclosure statement containing each of the following disclosures before or at the time of the employee's affirmative consent:
 - Employer must inform the employee that the Form 1095-C will be furnished on paper if the employee does not consent to receive it electronically
 - The employer must inform the employee of the scope and duration of the consent
 - The employer must inform the employee of any procedure for obtaining a paper copy of Form 1095-C after giving consent to receive the statement in an electronic format and whether a request for a paper statement will be treated as a withdrawal of consent
 - The employer must inform the employee that he/she may withdraw a consent by writing (electronically or paper) to the person or department whose name, mailing address, telephone number, and email address is provided in the statement; the employer will confirm the withdrawal and the date on which it takes effect, in writing (electronically or on paper) and a withdrawal of consent does not apply to a statement that was furnished electronically before the date on which the withdrawal of consent takes effect
 - The employer must inform the employee of the conditions under which the employer will cease furnishing Form 1095-C electronically (for example, after termination of the employee's employment)

Validation System Overview

- ▶ System appearance, functionality and navigation is same as last year
- ▶ Standard Internet Browser Support: Internet Explorer, Chrome, FireFox
- ▶ Daily Data Download
 - Records refreshed daily unless already validated
 - New hires added as they occur
 - Terminations updated (if not previously validated)
- ▶ Filtering
 - All Year Employees
 - New Hires
 - Terminated Employees
 - All Members
 - Second level filter for “Need Review” or “Completed”
- ▶ Regulatory Reporting Data Validation Guide
- ▶ Extract of data to Excel
- ▶ After data is validated and submitted it is edited for IRS acceptance
- ▶ Forms 1095-B or 1095-C are printed or emailed to employee

Demo of Validation System

- ▶ Login – normal fund contact access
 - Select “Regulatory Reporting” under the Regulatory Reporting dropdown
- ▶ Points to Note
 - Data presented is current as of the previous day if not previously validated
 - Records that have been validated remain unchanged
 - Importance of Group Name and EIN – Must match IRS records (See your W-9)
 - Importance of SSN and Name – Must match IRS records (Per W-2 data submission)
 - Data is not accessible for update after final submission and processing by IEBP
 - Individual records can be edited after clicking “Submit/Verify” if the final “Submit” of all employer data has not yet been done
 - Validation can be started as soon as IEBP makes it available in November but remember that you may have to update manually for any changes
 - Do not submit your data before January 1, 2018 to ensure all data is as of year-end
 - Reference the Regulatory Reporting Validation Guide or contact your marketing representative if you have questions

Have a Great Day!

Your Time is Appreciated

ACA Update

► Qualified High Deductible H.S.A. Contribution Limits/IRS Contribution Guidelines

	2018		2017	
	Single	Family	Single	Family
Minimum Deductible	\$1,350	\$2,700	\$1,300	\$2,600
Maximum Out-of-Pocket	\$6,650	\$13,300	\$6,550	\$13,100
Contribution Maximum	\$3,450	\$6,900	\$3,400	\$6,750
Catch Up (55+)	\$1,000		\$1,000	

	2016		2015	
	Single	Family	Single	Family
Minimum Deductible	\$1,300	\$2,600	\$1,300	\$2,600
Maximum Out-of-Pocket	\$6,550	\$13,100	\$6,450	\$12,900
Contribution Maximum	\$3,350	\$6,750	\$3,350	\$6,650
Catch Up (55+)	\$1,000		\$1,000	

Maximum Out of Pocket Accumulation

- ▶ Accountable Care Act (ACA) imposes out-of-pocket maximum limitations on all non-grandfathered group health plans

- ▶ PPO MOOP

Year	Self Out-of-Pocket	Family Out-of-Pocket
2018	\$7,350	\$14,700
2017	\$7,150	\$14,300
2016	\$6,850	\$13,700

- ▶ Qualified High Deductible/H.S.A. Health Plan MOOP

Year	Self Out-of-Pocket	Family Out-of-Pocket
2018	\$6,650	\$13,300
2017	\$6,550	\$13,100
2016	\$6,550	\$13,100

Measurement Period for FTE Calculation

- ▶ ALE employers are subject to the pay-or-play provisions and fail to offer their full-time employees minimum essential coverage that is [affordable](#) and provides [minimum value](#) may be subject to penalties if a full-time employee purchases coverage on an Exchange and qualifies for a premium subsidy.
- ▶ Employers with variable-hour schedules for some or all employees might find it more difficult to identify which employees are full time.
- ▶ For those employers, the ACA provides the option to use a system of measurement and stability periods to determine, in advance of a coverage period, which employees qualify as full time.
- ▶ The measurement period can be three (3) to twelve (12) months, with a subsequent stability period that generally cannot be shorter than six months or, if longer, the length of the measurement period.
- ▶ An administrative period can be scheduled at the end of the measurement period, to allow the employer to process the measurement period numbers and offer coverage to full-time employees.
- ▶ Many employers plan to use 12-month measurement and stability periods, to minimize recordkeeping requirements and to match the stability period for ongoing employees with the plan year.
- ▶ Do not include hours worked outside of U.S.
- ▶ Vacation, Sick, FMLA hours should be included.

Health Insurance Cost Study

Did your government unit make available or contribute to the cost of any health insurance plans for its ACTIVE employees in 2017?	
How many different health insurance plan choices did your government unit make available or contribute to for its ACTIVE employees during the 2017 plan year?	
In 2016, did your government unit make available or contribute to the cost of any health insurance plans for ACTIVE employees?	
How many employees were on your government unit's payroll for a Typical pay period in 2017?	
How many of these employees were ELIGIBLE for at least one health plan through your government unit?	
How many of these employees were ENROLLED IN ANY health plan through your government unit?	
For the same TYPICAL pay period in 2017, how many employee reported in Questions 4a worked part-time?	
How many of these part-time employees were ELIGIBLE For at least one health plan through your government unit?	
How many of the employees reported in Question 4a worked fewer than 30 hours per week?	
What was the minimum number of hours per week that an employee had to work in order to be eligible for health insurance?	IEBP requires 20 hours per week.
Approximately what percentage of the employees at this government unit were union members?	
Approximately what percentage of the employees at this government unit were women?	
Approximately what percentage of the employees at this government unit were 50 years old or older?	
For the employees at this government until in 2017, approximately what percentage earned:	
Less that \$12.00 per hour	
Between \$12.00 and \$29.50 per hour	
More than \$29.50 per hour	
For the employees at this government unit in 2017, how many earned more than \$46.00 per hour. (Approximately \$96,000 a year or more)	
Did your government unit offer the following fringe benefits to its employees in 2017? Paid Time Off (PTO) is offered mark X Yes for paid vacation and paid sick leave.	

Health Insurance Cost Study

Did your government unit offer any of these tax-advantaged benefits to its employees in 2017. Employee contributions to health insurance made on a pre-tax basis: flexible spending accounts (FSA) for healthcare Flexible Benefits plans that offer employees a set of benefits from which to choose	
Did your government unit offer health insurance for active employees through a private exchange (also known as corporate exchange)	
Did your government unit offer health insurance through a Small Business Health Options Program (SHOP) exchange or marketplace in your state?	
Did your government unit use a third party, such as an insurance broker or agent to help purchase the insurance plan(s)?	
Which of the listed option coverage services, if any, did your government unit offer to its ACTIVE employees in 2017 at a premium SEPARATE from the comprehensive health plan premium? Dental, Vision, Prescription drugs, Long term care, No optional coverage	
What was the total amount paid for optional coverage for all ACTIVE employees during a TYPICAL MONTH in 2017.	
For 2017, did your government unit impose a waiting period before new employees could be covered by health insurance?	
Were employees' SPOUSES eligible for health insurance coverage through your government unit?	
Did your government unit offer health insurance coverage to UNMARRIED domestic partners.	IEBP requires marriage or common law certificate same and different sex
Retiree Health Coverage Characteristics	
Does your government unit or some other government unit provide health insurance coverage to any person who retired in 2017 or BEFORE, or to any of their survivors?	
In a typical month, how many retirees were enrolled in health insurance through your government unit?	
Under 65 years of age	
Were any of the enrolled retirees, reported in Quest 19, under 65 years of age?	
In a typical month, how many retirees under 65 years of age were enrolled in health insurance through your government unit?	

Health Insurance Cost Study

What percentage of those retirees were ENROLLED in SINGLE coverage?	
For a typical plan in 2017, how much did the GOVERNMENT UNIT contribute toward the monthly plan premium for one typical retiree with SINGLE coverage?	
For this same plan, what was the TOTAL monthly premium for this typical retiree with SINGLE coverage?	
For a typical plan in 2017, how much did the GOVERNMENT UNIT contribute toward the monthly plan premium for one typical retiree with SINGLE coverage?	
For a typical plan in 2017, how much did the GOVERNMENT UNIT contribute toward the monthly plan premium for one typical retiree with FAMILY coverage?	
For this same plan, what was the TOTAL monthly premium for this typical retiree with FAMILY Coverage?	
Age 65 or Older	
Were any of the enrolled retirees, reported in Question 19, age 65 or older	
In a typical month, how many retirees age 65 or older were enrolled in health insurance through your government unit?	
In a typical month, how many retirees age 65 or older were enrolled in health insurance through your government unit?	
What percentage of these retirees were ENROLLED in SINGLE coverage?	
For a typical plan in 2017, how much did the GOVERNMENT UNIT contribute toward the monthly plan premium for one typical retiree with single coverage?	
For this same plan, what was the TOTAL monthly premium for this typical retiree with SINGLE coverage?	
For a typical plan in 2017, how much did the GOVERNMENT UNIT contribute toward the monthly plan premium for one typical retiree with FAMILY coverage?	
For this same plan, what was the TOTAL monthly premium for this typical retiree with FAMILY coverage?	
Did your government unit offer health insurance to any NEW RETIREES?	
Were NEW RETIREES under 65 years of age eligible for health insurance?	
Were NEW RETIREES age 65 or older eligible for health insurance?	

Health Insurance Cost Study

General Plan Information	
For 2017, what was the name of the health insurance plan with the largest (or next largest) enrollment of ACTIVE employees?	TML MultiState IEBP Pool, Chapter 172 of the Local Government Code, UnitedHealthcare Choice Plus PPO Network
Which type of health care provider arrangement was available through this plan? Exclusive providers, any provider, mixture of preferred and any providers?	
Did this plan REQUIRE that the enrollee see a gatekeeper or primary-care physician in order to be referred to a specialist?	
Was this plan purchased from an insurance underwriter or was it self-insured?	
Did your government unit employ a third part administrator (TPA) or purchase administrative services only ASO from an insurer for this self-insured plan?	
Did your government unit purchase stop-loss coverage for this plan?	
What was the specific stop loss amount per enrollee?	
What was this plan's actuarial value or metal level?	
How many ACTIVE employees were ENROLLED in this plan at this government unit during a typical pay period in 2017?	
How many of these ACTIVE employees were ENROLLED in SINGLE coverage during a typical pay period in 2017?	
If this plan had EMPLOYEE-PLUS-ONE coverage, how many ACTIVE employees were ENROLLED during a typical pay period in 2017?	
How many ACTIVE employees were ENROLLED in FAMILY (not single or employee-plus-one) coverage during a typical pay period in 2017?	
How many FORMER employees were ENROLLED in this plan, excluding retirees, through PHSA (COBRA) or state continuation of benefits laws during a typical pay period in 2017?	
Was SINGLE coverage offered under this plan?	

Health Insurance Cost Study

For this plan, how much did the GOVERNMENT UNIT contribute toward the plan premium of one typical employee with SINGLE coverage?	
How much did this typical EMPLOYEE with SINGLE coverage contribute toward his/her own premium?	
What was the TOTAL premium for this typical employee with SINGLE coverage?	
The amounts reported in Questions 9b-d are based on which one of the following periods: Weekly, Every 2 weeks, Quarterly, Yearly, Monthly	
Was FAMILY coverage offered under this plan?	
For this plan, how much did the GOVERNMENT UNIT contribute toward the plan premium of one typical employee with FAMILY coverage?	
How much did this typical Employee WITH family coverage contribute toward his/her own premiums?	
What was the total premium for this typical employee with Family coverage?	
The amounts reported in Questions 1 1b-d are based on which one of the following time periods? Weekly, Every 2 weeks, Quarterly, Yearly, Monthly	
Did the TOTAL premium reported earlier for FAMILY coverage vary depending on the number of family members covered by the plan?	
Did the TOTAL premium reported earlier for SINGLE coverage vary by the age of the employee enrolled in the plan?	
Did older employees contribute more toward their SINGLE coverage premium than younger employees?	
Did the amount individual EMPLOYEES contributed toward their single coverage premium vary by any of these characteristics.	
Individual Deductibles	
Did this plan have a deductible?	
What was the annual deductible an individual paid?	

Health Insurance Cost Study

Family Deductibles	
Did this plan require that a specific number of family members meet their individual deductibles before the family deductible was met?	
How many family members were required to meet their individual deductibles before the family deductible was met?	
What was the total annual deductible a family paid?	
Health Savings Account (HAS)	
Did your government unit contribute to a Health Savings Account (HAS) for the plan enrollees in 2017?	
Did your government unit offer an HRA associated with this plan in 2017?	
Payments	
Was hospital care covered under this plan?	
How much and/or what percentage of the total bill did an enrollee pay out-of-pocket for an inpatient hospital admission after any annual deductible was met?	
Was physician care covered under this plan?	
How much and/or what percentage of the total bill did an enrollee pay out-of-pocket for a General Practitioner office visit, with a participating physician, after any annual deductible was met?	
How much and/or what percentage of the total bill did an enrollee pay out-of-pocket for a Specialist Physician office visit after any annual deductible was met.	
Were prescription drugs covered under this health plan?	
Did this plan have a separate annual deductible that applies only to prescription drugs?	
What was the annual deductible for prescription drugs for single coverage in this plan?	
How much and/or what percentage did an enrollee pay out-of-pocket for each type of prescription drug covered after any annual deductible was met?	
What was the maximum annual out of pocket expense for an individual?	
What was the maximum annual out of pocket expense for a family of four?	
Which of the services listed were covered by this plan? Chiropractic, routine vision for children, routine vision for adults, routine dental care for children, routine dental care for adults, mental health care, substance use treatment	
Was this a grandfathered health plan as defined by the Affordable Care Act?	No

Greatland and IEBP Regulatory Reporting System

Regulatory Reporting Education Calendar Year 2017

Political Subdivision Synergy

Engaged in Managing the Healthcare Dollar by Optimized
Efficient Performance Based Outcome

To comply with IRS regulations, we are required to notify you that any advice contained in this material that concerns federal tax issues was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax related penalties under the Internal Revenue Code, (ii) promoting, marketing, or recommending to another party any matters addressed herein.

IEBP Enhancement Recommendations

- ▶ More Education for Non-ALE Groups
- ▶ More Audit Function Education and Enhanced Navigation Audit Tools
- ▶ Part-Time and Seasonal Employee Education
- ▶ System Navigation Upgrade
 - Sort: Alpha
 - Filter
 - 2015 and 2016 ongoing Employee sort Filter with no additional audit requirements (demographic check)
 - Back Button Request
- ▶ Paper Eligibility Request Redundancy/Non-Covered Dependents
- ▶ Stress Testing Improvement
- ▶ Electronic Individual Transmittal Remittance
 - E-mail Address for Employees
- ▶ Browser Friendly Information
- ▶ Employee Duplicate Deletes
- ▶ Update Employees Return to Same Site Location after Update
- ▶ Increase the Fields IEBP Prepopulates
- ▶ Lack of Dependent Drops on ALE Groups due to non self-funded entity
- ▶ Continue FAQ Communication
- ▶ Double check the drop of people who never had coverage, some of them need declination but some were not offered benefits

Greatland Desktop Enhancement Recommendations

- ▶ Duplicate TIN Issue due to IEBP's membership working for more than one employer
- ▶ Bad Socials (i.e., dependents transitioned to Date of Birth)
- ▶ Import Capabilities for accumulate list of errors
- ▶ IRS Aggregate Transmittal
 - Estimated 7%-10% Error Rate
- ▶ Next Year January 31 Print and Mail Date Similar to 1099
- ▶ Business Rules for Safe Harbor Allowances
- ▶ Individual Transmittal
 - Manual Print
 - Envelope Friendly Options
- ▶ Improved Navigation
 - Filter for Employees
 - Import Override Ability
 - Add On Ability
- ▶ Employer Receipt of Data Transmittal
- ▶ Data Field Definitions

1094-C Information Sheet

ALE Aggregate Employer Transmittal of Employer-Provided Health Insurance Offer and Coverage under 6056

Part III ALE Member Information - Monthly

<p>1. Check "Yes" if the ALE offers MEC to at least 70%/95% of FTE and dependents for entire calendar year or if the ALE qualifies for Section 4980H Transition Relief. Enter "x" in the "Yes" checkbox on line 23 "All 12 Months" or for each of the 12 calendar months.</p> <p>2. An employer that did not offer minimum essential coverage to at least 70%/95% of its full time employees and their dependents for any of the 12 months, enter "x" in the "No" checkbox for each applicable month.</p>		<p>Enter the number of full-time employees for the ALE for each month, but exclude employees in <u>Limited Non-Assessment Period</u>.</p>		<p>Enter the total number of employees, including full-time employees and non-full-time employees and employees in a Limited Non-Assessment Period for each calendar month</p> <p>An employer must choose to use one of the following days to determine the number of employees per month and must use the same day for all months of the year.</p> <ul style="list-style-type: none"> • <u>First day of each month</u> • <u>The last day of each month</u> • <u>The first day of the first payroll period that starts each month</u> • <u>The last day of the first payroll period that starts during each month</u> 		<p>An employer must complete this column if check "Yes" on line 21, including that during any month of the calendar year, it was a member of an Aggregated ALE group. <u>If the employer was not a member of an Aggregated ALE Group for all 12 months but was a member of an Aggregated ALE Group for one or more months enter "X" in each month for which it was a member of an Aggregated ALE group. If an employer enters "X" in one or more months in this column, it must also complete Part IV.</u></p>		<p>Transitional Relief: • Limited Workforce <100 • 70% accuracy vs. 95% • Deductible 80 vs. 30 • Maintenance of Workforce-Employee count <100 between 2.19.14 and 12.31.14 and employer did not reduce size of workforce or hours worked by employees • Maintenance Previously offered Coverage</p> <p>Employer contribution for employee only coverage may not decrease by more than 5% in effect on 2.9.14 and the actuarial value of the plan may not decrease by 60% not excess of individual deductible \$2,000 and/or family \$4,000: • No change in plan year 2.9.14 to a later calendar date</p> <p>1. <100 employees qualify for relief code A 2. 100 or more FTE qualify for relief code B</p>	
		(a) Minimum Essential Coverage Offer Indicator	(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator			
23	All 12 Months	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
24	Jan	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
25	Feb	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
26	Mar	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
27	Apr	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
28	May	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
29	June	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
30	July	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
31	Aug	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
32	Sept	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
33	Oct	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
34	Nov	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				
35	Dec	<input type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/>				

1094-C Information Sheet

ALE Aggregate Employer Transmittal of Employer-Provided Health Insurance Offer and Coverage under 6056

Part IV Other ALE Members of Aggregated ALE Group

Enter the Names and EINs of Other ALE Members of the Aggregated ALE Group (who were members at any time during the calendar year).

An employer must complete this section if it checks "Yes" on line 21. If the employer was a member of an Aggregated ALE Group for any month of the calendar year, enter the name(s) and EIN of up to 30/80 of the other Aggregated ALE Group members. If there are more than 30/80 members of the Aggregated ALE Group, enter the 30/80 with the highest monthly average number of full-time employees (using the number reported in Part III, column (b), if a number was required to be reported for the year or for the number of months during which the ALE Member was a member of the Aggregated ALE Group. Regardless of the number of member in the Aggregated ALE Group, list only the 30/80 members in descending order listing first the members with the highest average monthly number of full-time employees.

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1095-C Information Sheet

under Applicable Large Employer (ALE) Taxpayer Transmittal

		All 12 months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<p>Part II Employee Offer and Coverage. One of 9 different indicator codes must be used to assess an employee's (and family members') eligibility for IRC 36B premium tax credits for insurance marketplace coverage.</p> <p>Plan Start Month (Enter 2-digit number): This new field is optional for 2015. This means filers can choose to add this field and provide plan year information, to add this field and enter "00, or, at their option, to leave this new field out (thus using 2014 format). For 2016 and beyond this filler will be required.</p>														
<p>Line 14 - Code Series 1 Offer of Coverage. The Code Series 1 indicator codes specify the type of coverage, if any, offered to an employee, the employee's spouse, and the employee's dependents.</p> <ul style="list-style-type: none"> • 1A Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% of Box 1 on W-2 Form <u>Safe Harbor Options</u>: No greater than 9.5% of employee's wages as reported in Box 1 of the W-2 Form; 2016 9.56% of Box 1 (Up to 9.5% of W2 wages adjusted to 9.56%) most cost effective plan • 1B Minimum essential coverage providing minimum value offered to employee only • 1C Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse) • 1D Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)) • 1E Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse • 1F Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s) or employee, spouse and dependents • 1G Offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in self-insured coverage for one or more months of the calendar year • 1H No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage. Enter code 1H for the month COBRA would be first effective it had been elected, and for all months in the remainder of the calendar year. • 1I Qualifying offer Transition Relief 2015: Employee (and spouse or dependents) received no offer of coverage, received an offer that is not a qualifying offer, or received a qualifying offer for less than 12 months 	<p>(14) Offer of Coverage (enter required code)</p>													

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under Applicable Large Employer (ALE) Taxpayer Transmittal

Part II Employee Offer and Coverage (Employee Share of Lowest Cost Monthly Premium for Self-Only Minimum Value Coverage)	All 12 months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<p>Line 15 - Complete line 15 only if code 1B, 1C, 1D or 1E is entered on line 14 either in the "All 12 Months" box or in any of the monthly boxes.</p> <ul style="list-style-type: none"> Enter the amount of the employee share of the lowest-cost monthly premium/contribution for self-only minimum essential coverage providing minimum value that is offered to the employee. Enter the amount including any cents. If the employee is offered coverage, but is not required to contribute any amount towards the premium, enter "0.00" (do not leave blank). If the employee share of the lowest-cost monthly premium amount was the same amount for all 12 calendar months, enter that monthly amount in each monthly box or enter that monthly amount in the "All 12 Months" box and do not complete the monthly boxes. If the employee share of the lowest-cost monthly amount was not the same for all 12 months enter the amount in each calendar month for which the employee was offered minimum value coverage. 	(15) Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<p>Line 16 - Code Series 2 Section 4980H Safe Harbor Codes and Other Relief for Employers. An employer enters the applicable Code Series 2 indicator code, if any, on Line 16 to report for one or more months of the calendar year that one of the following situations applied to the employee: the employee was not employed or was not a full-time employee; the employee enrolled in the minimum essential coverage offered: the employee was in a Limited Non-Assessment Period with respect to Section 4980H(b); non-calendar year transition relief.</p> <ul style="list-style-type: none"> 2A Employee not employee during the month 2B Employee not a full-time employee 2C Employee enrolled in coverage offered 2D Employee in a section 4980H(b) Limited Non-Assessment Period: Initial Measurement Period, Waiting Period 2E Multi-Employer interim rule relief 2F Section 4980H affordability 2G Section 4980H affordability federal poverty line safe harbor 2H Section 4980H affordability rate of pay safe harbor 2I Non-calendar year transition relief applies to this employee 	(16) Applicable Section 4980H Safe Harbor (enter code, if applicable)												

1094-C Information Sheet

ALE Aggregate Employer Transmittal of Employer-Provided Health Insurance Offer and Coverage under 6056

Part I Applicable Large Employer Member (ALE Member)

If reporting entity is the employer use the employer's legal name and EIN. If the employer contributes to a union or collectively bargained plan, the employer must still report eligibility and enrollment information.

1 Name of ALE Member (Employer)	2 Employer identification number (EIN)
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Enter the employer's complete address (including room or suite no., if applicable). This address should match the employer's address used on the Form 1095-C.

3 Street address (including room or suite no.)	4 City or town
5 State or province	6 Country and ZIP or foreign postal code

Enter name and contact information of individual the IRS can contact if the IRS has question regarding the return.

7 Name of person to contact	8 Contact telephone number
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Designated Governmental Entity (DGE) filing on behalf of an employer, complete lines 9-16. If you are not a DGE filing on behalf of an employer, do not complete lines 9-17. Instead skip to line 18. Enter name and contact information of individuals at DGE the IRS can contact with questions.

9 Name of Designated Government Entity (only if applicable)	10 Employer identification number (EIN)
11 Street address (including room or suite no.)	12 City or town
13 State or province	14 Country and ZIP or foreign postal code
15 Name of person to contact	16 Contact telephone number

*This line is reserved for future use. **Leave Blank.***

17 Reserved.....

Enter the total number of Forms 1095-C submitted with the Form 1094-C transmittal.

18 Total number of Forms 1095-C submitted with this transmittal. ▶

Line 19 *If this form 1094-C transmittal is the Authoritative Transmittal that reports aggregate employer-level data for employer, check the box on line 19 and complete the remainder of Part II and Parts III and IV, to the extent applicable. Otherwise, complete the signature portion of Form 1094-C and leave the remainder of the form (lines 20-22 of Part II, and all of Parts III and IV) blank. There must be only one Authoritative Transmittal Form for each employer. If this is the only Form 1094-C being filed for the employer, this Form 1094-C must report aggregated employer-level data for the employer and be identified on line 19 as the Authoritative Transmittal.*

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions.....



1094-C Information Sheet

ALE Aggregate Employer Transmittal of Employer-Provided Health Insurance Offer and Coverage under 6056

Part II Applicable Large Employer excess of 50/99 ALE Member Information

Lines 20-22 should be completed only on the Authoritative Transmittal for the employer. For more information, see Authoritative Transmittal for Employees Filing Multiple Forms 1094-C, earlier.

Line 20 Enter the total number of Forms 1095-C that will be filed by and/or on behalf of the employer.

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member. ▶

Line 21 If during any month of the calendar year the **employer was a member of an Aggregated ALE Group** (excess of 50/99 FTE's), **check "Yes."** If you check "Yes" also complete the Aggregated Group Indicator" in Part III, column (d), and then complete Part IV to list the other members of the Aggregated ALE Group. If, for all 12 months of the calendar year, the employer was not a member of an Aggregated ALE Group, check "No" and do not complete Part III, column (*d) or Part IV.

21 Is ALE Member a member of an Aggregated ALE Group? If "No," do not complete Part IV. Yes No

22 **Certifications of Eligibility (select all that apply):** If the employer meets the eligibility requirements and is using one of the **Offer Methods** and/or one of the forms of Transition Relief indicated, it must check each applicable box.

Transitional Relief: • Limited Workforce <100 vs <50 • 70% accuracy vs. 95% • Deductible 80 vs. 30 • Maintenance of Workforce-Employee count <100 between 2.19.14 and 12.31.14 and employer did not reduce size of workforce or hours worked by employees • Maintenance Previously offered Coverage

Employer contribution for employee only coverage may not decrease by more than 5% in effect on 2.9.14 and the actuarial value of the plan may not decrease by 60% not excess of individual deductible \$2,000 and/or family \$4,000: • No change in plan year 2.9.14 to a later calendar date

A. Qualifying Offer Method B. Qualifying Offer Method Transition Relief C. Section 4980H Transition Relief D. 98% Offer Method

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under Applicable Large Employer (ALE) Taxpayer Transmittal

**Self-funded ALE Employers complete Parts I, II and III/
Employer is fully insured, it will fill out Parts I and II Only**

<p><i>Enter the name of the employee (first name, middle initial, last name).</i></p> <p>1 Name of employee</p>	<p><i>This is your social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, the issuer is required to report your complete SSN to the IRS. If you do not provide your SSN and the SSNs of all covered individuals to the plan administrator, the IRS may not be able to match the Form 1095-C to determine that you and the other covered individuals have complied with the individual shared responsibility provision. For covered individuals other than the employee listed in Part I, a Taxpayer Identification Number (TIN) may be provided instead of an SSN.</i></p> <p>2 Social security number (SSN)</p>		
<p><i><u>Lines 3-6.</u> Enter the employee's complete address (including apartment no., if applicable). All employers, including U.S. employers, should enter a country code.</i></p>			
<p>3 Street address (including apartment no.)</p>	<p>4 City or town</p>	<p>5 State or province</p>	<p>6 Country and ZIP or foreign postal code</p>

Part I Applicable Large Employer Member (Employer) - Lines 7-13. *Part I, reports information about your employer.*

<p><i>Enter the name of the employer</i></p> <p>7 Name of employer</p>	<p><i>Enter the employer's EIN. Do not enter a SSN in lieu of an EIN. Enter the 9-digit EIN including the dash. The employer's name and EIN should match the name and EIN of the employer reported on lines 1 and 2 of Form 1094-C.</i></p> <p>8 Employer identification number (EIN)</p>		
<p><i><u>Lines 9 and 11-13.</u> Enter the employer's complete address (including room or suite no., if applicable). This address should match the employer's address used on the Form 1094-C.</i></p> <p>9 Street address (including room or suite no.)</p>		<p><i>Enter the telephone number of the person to contact whom the recipient may call about the information reported on the form.</i></p> <p>10 Contact telephone number</p>	
<p>11 City or town</p>	<p>12 State or province</p>	<p>13 Country and ZIP or foreign postal code</p>	

1095-C Information Sheet

under Applicable Large Employer (ALE) Taxpayer Transmittal

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

Part III reports the name, SSN (or TIN for covered individuals other than the employee listed in Part I), and coverage information about each individual (including any full-time employee and non-full-time employee, and any employee's family members) covered under the employer's health plan, if the plan is "self-insured." A date of birth will be entered in column (c) only if an SSN (or TIN for covered individuals other than the employee listed in Part I) is not entered in column (b). Column (d) will be checked if the individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which these individuals were covered. If there are more than 6 covered individuals, you will receive one or more additional Forms 1095-C that continue Part III.

Enter the nine-digit SSN for each covered individual (111-11-1111).

Enter a TIN, rather than an SSN, if the covered individual does not have an SSN.

(If SSN is not available)

Place an (X) in the box if the individual was covered for at least one day per month for all 12 months of the calendar year.

If the individual was not covered for all months, place an (X) in the applicable box(es) for the months in which the individual was covered for at least one day. If there are more than six covered individuals, complete one or more additional Forms 1095-B, Part I lines 1 through 7 and Part IV. Do not include these additional Forms 1095-B in the count of forms submitted with Form 1094-B.

(e) Months of Coverage

	(a) Name of covered individual(s)	(b) SSN	(c) DOB	(d) Covered all 12 months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
17				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1094-C

ALE Certifications of Eligibility Offer Methods

A. Qualifying Offer Method

1. Employee must certify that it made a Qualifying Offer to one or more of its full-time employees for all months during the year in which the employee was a full-time employee for whom an employer shared responsibility payment could apply.
2. If the employer reports using this method, it must not complete on Form 1095-C Part II, line 15, for any month for which a Qualifying Offer is made. Instead it must enter the Qualifying Offer Code 1A on Form 1095-C line 14, to indicate that the employee received a Qualifying Offer for all 12 months (in which case the employer must not, for any month, report the dollar amount on line 15).
3. An employer is not required to use the Qualifying Offer Method, even if it is eligible and instead may enter on line 14 the applicable offer code and on line 15 the dollar amount required as an employee contribution for the lowest-cost employee only coverage providing minimum value for that month.

B. Alternative Method of Furnishing Form 1095-C to Employees under the Qualifying Offer Method

1. For a full-time employee who received a Qualifying Offer and enrolled in self-insured coverage, the employer must furnish the information reporting enrollment in the coverage on Form 1095-C, Part III. The employer may not use the alternative method of furnishing Form 1095-C under the Qualifying Offer information to the employee by furnishing a copy of Form 1095-C as filed with the IRS (with or without the statement described above).

1094-C

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C. Section 4980H Transition Relief

1. 2015 Section 4980H Transition Relief for ALEs with Fewer than 50/100 Full-Time Employees, including Full-Time Equivalent Employees (50-99 Transition Relief); or
2. 2015 Transition Relief Calculation of Assessable Payments under Section 4980H (a) for ALEs with 50/100 or More Full-Time Equivalent Employees (100 or More Transition Relief) apply.
3. Employer offers health coverage to at least 90%/70% of its full time employees.
4. Assessable payment under section 4980H is calculated by reducing the employer's number of full-time employees by that employer's allocable share of 30/80

D. 98% Offer Method

1. Employer is eligible for and is using the 98% Offer Method. To be eligible to use the 98% Offer Method, an employer must certify that it offered, for all months of the calendar year, affordable health coverage providing minimum value to at least 98% of its employees for whom it is filing a Form 1095-C employee statements, and offered minimum essential coverage to those employees' dependents.
2. Employer is not required to identify which of the employees for whom it is filing were full-time employees, but the employer is still required to file Forms 1095-C on behalf of all of its full-time employees.

Non Self Insured Provider Fee

Administrative Category	Administrative Fee	Comments
Health Insurance Provider Fee	<ul style="list-style-type: none"> ▪ <u>Provider Fee Schedule Form 8963</u> ▪ Net Premium in 2014: Health, Vision, Dental and Retiree: take the ratio of net premium per industry premium and multiply by the applicable amount to achieve the health insurance provider fee schedule ▪ Filed to the IRS Form 8963 by April 15 of the year 2015 ▪ 2014 Net Premium in 2014, by total industry net premiums from health, vision, dental and retiree benefits. ▪ Take the ratio of the net premium per industry premium and multiply by the applicable amount to achieve the health insurance provider fee schedule for 2014=\$8B – 2018=\$14.3B ▪ <u>Exclusions</u> <ul style="list-style-type: none"> ▸ <u>Self insured employers, governmental entities, certain non-profit employers and certain VEBAs.</u> 	

Small Business Tax Credit

- ▶ Employers would have to contribute at least \$505 of the cost of premiums for their health plan
- ▶ Before 2014, the credit covered up to 35% of average salaries below \$50,000 purchase
- ▶ The employer could receive a tax credit for 2 years that covers up to 50% of employers contribution
- ▶ Small businesses with a 10 or fewer FTEs with average taxable wages of \$25,000 or less could claim the full credit amount

Non Self Insured Health Insurance Tax (HIT) 2017

- ▶ Suspended until 2017 in the omnibus appropriations bill passed and signed into law on Friday.
 - The HIT is an assessment on health insurance companies based on net premiums written. It was created in the Affordable Care Act.
 - Self-funded groups are currently exempt from the Health Insurance Tax

- ▶ **HOW DOES THE TAX WORK?**
 - Messaged as a "health insurance fee," the HIT is actually a hidden tax on small business. PPACA assesses a tax on all health insurance companies based on their "net premiums" written.
 - The tax raises \$8 billion starting in 2014, \$18 billion in 2024 and more in later years.
 - The amount of the HIT that the insurance company is responsible for is roughly equal to the percent of the market subject to the tax that the insurance company covers.
 - The larger the insurance company's market-share, the higher their annual HIT. Insurers and economists have consistently agreed throughout the health care debate that new taxes on insurers inevitably mean new costs passed along to customers.
 - The group that experiences the most cost shifting is the fully insured market.

Important Benefit News Update

▶ State of the Union Address

- Day Care Expenses
- Domestic Partnerships
- FMLA Expansion
- Hourly vs. Exempt Positions
 - Salary Threshold Changed to \$913/week (\$47,476 per Year)
 - Salary could encompass employees that are currently classified as exempt
 - Threshold increases every 3 years (Not Annually)
 - ▶ Maintain level at 40th percentile in lowest-wage census region
 - No changes in duties test
 - Effective Date December 1, 2016
 - Highly Compensated Employee Exemption is now \$134,004 per year

6055 and 6056 Reporting Requirements

- Responsible Party
 - Employer
- Data Information Sources/Compliance with Safe Harbor
 - Payroll for Full Time Equivalent Monitoring
 - Establishing Employment Status
 - Full Time Employees
 - Part Time Employees
 - Variable Hours
 - Seasonal Employees
 - Contract
 - Retired Covered Individuals
 - COBRA Participants
 - Employees Eligible for Benefits
 - Hire/Rehire/Job Transition Dates
 - Benefit Carrier
 - Carrier Employee and Dependents Enrollment
 - Grandfather Clause Management
 - Populating 1095-C Forms or 1095-B Forms
 - Qualifying Health Plans
 - Affordable
 - Minimum Essential Coverage
- Census Calculation for Applicable Large Employers
- Full-Time Employee Definition
- Individual Mandate Covered Individual Responsibilities
- Form Sensitivity
 - 1095-C Part II Line 14
- Lessons Learned/Reporting Enhancement Opportunities

Qualifying Health Plans

Penalties Reported on IRS Form 8928 | Reporting Penalties under Sections 6721 and 6722

Regulatory Requirement	Definition	Penalty Amount
<p><u>Applicable Large Employer</u> Mandate for Affordable Minimum Essential Coverage 4980H9(a) “PLAY” or “Pay” to provide benefits to full time equivalent employees:</p>	<p><u>FTE Calculation</u></p> <ol style="list-style-type: none"> 1. Measurement Period: 12/9/6 months or a; 2. Administrative Period not more than 90 days between end of measurement period and start of stability period; 3. Look-back period 3,6,12; 4. Stability Period 6-12 months for at least six consecutive calendar months, not shorter than the measurement period; 5. Payroll system should track worked and unpaid hours (disability, sick, WC, vacation, jury duty, FMLA, etc.); 6. Waiting period cannot be in excess of 90 days unless documented 30 day orientation period. 	<p>Transitional Relief: \$166.67/mo. \$2,000 PEPY</p> <ul style="list-style-type: none"> ▪ 2015: 80 deductible; 70% accuracy ▪ 2016: 30 deductible; 95% accuracy <p>Due to premium adjustment percentage for inflation the IRS announced in Notice 2015-87 that the penalty amount would be \$2,080 for 2015 and \$2,160 in 2016</p>
<p><u>Affordability of Health Plan</u></p>	<p><u>Safe Harbor Options:</u></p> <ol style="list-style-type: none"> 1. No greater than 9.5% of employee’s wages as reported in Box 1 of the W-2 Form; 2016 9.56% of Box 1 (Up to 9.5% of W2 wages adjusted to 9.56% adjusted to 9.69%) most cost effective plan 2. Rate of Pay: Hourly rate times 130 time 9.5. Example: \$10/hour x 130 = \$1,300 x .095=\$123.50 month (Up to 9.5% of rate of pay) 3. Federal Poverty Level (9.5% adjusted to 9.56% of the salary that is equal to 100 percent of the federal poverty level) <ul style="list-style-type: none"> ▪ 2015 \$92.39 calendar year EE only ▪ 2015 \$93.18 non-calendar year EE only 4. IRS has proposed several hardship waivers for individuals. 5. One is if the premium paid by the individual exceeds 8.05% of the individual (family) adjusted gross income. 	<ul style="list-style-type: none"> ▪ Unaffordable coverage would be hit with a \$3,000 per employee penalty for each worker who obtained coverage on the exchange. IRS states this increase will be \$3,120 for 2015 plan year and \$3,240 for 2016 plan year.

Regulatory Reporting Penalties

Failure	Previous Penalty Amount	New Penalty Amount
Failure to file a return or to file a complete return; failure to provide an employee statement or a complete statement	\$100 per return or statement, not to exceed \$1,500,000: “per Return or statement” relates to both a failure with respect to an information return required to be filed with the IRS and a failure with respect to the payee statement required to be furnished to an individual.	\$250 per return or statement, not to exceed \$3,000,000.
If failure is corrected on or before the day 30 days after the date required	\$30 per return or statement, not to exceed \$250,000	\$50 per return or statement, not to exceed \$500,000
If failure is corrected after the 30 th day but on or before August 1 of the year the return is due	\$60 per return or statement, not to exceed \$500,000	\$100 per return or statement, not to exceed \$1,500,000
If a failure is caused by intentional disregard	\$250 Penalty is doubled to \$500 for each failure, corrections will not apply, and no cap will apply with respect to the amount of penalties that can be applied for that calendar year.	
Non-compliance with Employer Shared Responsibility Mandate (often referred to as Pay or Play) which requires the organization offer minimum essential coverage (MEC) to full-time employees	\$2,000 per employee per year for non-compliance	
Non-compliance with offering qualifying coverage or affordable coverage as defined by ACA	Up to \$3,000 per employee per year for non-compliance	

IEBP Enhancement Recommendations

- ▶ More Education for Non-ALE Groups
- ▶ More Audit Function Education and Enhanced Navigation Audit Tools
- ▶ Part-Time and Seasonal Employee Education
- ▶ System Navigation Upgrade
 - Sort: Alpha
 - Filter
 - 2015 and 2016 ongoing Employee sort Filter with no additional audit requirements (demographic check)
 - Back Button Request
- ▶ Paper Eligibility Request Redundancy/Non-Covered Dependents
- ▶ Stress Testing Improvement
- ▶ Electronic Individual Transmittal Remittance
 - E-mail Address for Employees
- ▶ Browser Friendly Information
- ▶ Employee Duplicate Deletes
- ▶ Update Employees Return to Same Site Location after Update
- ▶ Increase the Fields IEBP Prepopulates
- ▶ Lack of Dependent Drops on ALE Groups due to non self-funded entity
- ▶ Continue FAQ Communication
- ▶ Double check the drop of people who never had coverage, some of them need declination but some were not offered benefits

Greatland Desktop Enhancement Recommendations

- ▶ Duplicate TIN Issue due to IEBP's membership working for more than one employer
- ▶ Bad Socials (i.e., dependents transitioned to Date of Birth)
- ▶ Import Capabilities for accumulate list of errors
- ▶ IRS Aggregate Transmittal
 - Estimated 7%-10% Error Rate
- ▶ Next Year January 31 Print and Mail Date Similar to 1099
- ▶ Business Rules for Safe Harbor Allowances
- ▶ Individual Transmittal
 - Manual Print
 - Envelope Friendly Options
- ▶ Improved Navigation
 - Filter for Employees
 - Import Override Ability
 - Add On Ability
- ▶ Employer Receipt of Data Transmittal
- ▶ Data Field Definitions