

**Q&A from Assurex Global Webinar  
"Health Insurance Legislative Update"**

**August 24, 2017**

<b>Question</b>	<b>Answer</b>
What code would be for Offered but refused or chose not to enroll?	There isn't any specific code to use on Line 16 of Form 1095-C for a waiver of coverage. If a full-time employee is offered coverage and waives, enter the applicable affordability safe harbor code on Line 16 (i.e. Code 2F, 2G or 2H), if any, or leave it blank. If a part-time employee is offered coverage and waives, enter Code 2B on Line 16.
Is there any reason we should or shouldn't count as ACA FT employees who work less than 30 hours a week, but meet our company's benefit-eligibility requirements (our threshold is 24 hours a week)?	For reporting purposes on Form 1094-C and 1095-C, the employer is required to accurately report who is full-time and part-time based on the definition of full-time being an average of 30 or more hours of service per week, unless the employer qualifies for the 98% Offer Method. An employer meets the criteria for the 98% Offer Method if it makes an offer of affordable (based on any of the affordability safe harbors), minimum value coverage to at least 98% of its employees for whom a Form 1095-C is being provided, and an offer of at least minimum essential coverage to dependents (children only). An employer qualifying for and choosing to use this simplified reporting method should check Box D on Line 22 to skip completing Column (b) on Page 2 of Form 1094-C and report on all employees receiving a 1095-C without designating who is full-time and who is part-time (advantageous for employers that offer coverage to part-time employees).
On possible changes when it states "change employer mandate to apply to employers with >500 employees, would this be >500 FTE employees?	One proposal was to increase the threshold for applicable large employers from 50 to 500, then requiring only employers with 500 or more FTEs to comply with the employer mandate and employer reporting requirements on Form 1094-C and 1095-C.
Is there still relief for union employees eligible for coverage through a multi-employer plan offered and run through the union? Is code 2E still used for union employees offered coverage through a union instead of the employer?	Yes, the transition relief from potential penalties under §4980H for offers of coverage under multiemployer (union) plans remains available. The final 2017 reporting instructions read as follows: <i>"For reporting offers of coverage for 2017, an ALE Member relying on the multiemployer arrangement interim guidance should enter code 1H on line 14 for any month for which the ALE Member enters code 2E on line 16 (indicating that the ALE Member was required to contribute to a multiemployer plan on behalf of the employee for that month and</i>
These forms apply to large employers, only, correct?	Applicable large employers (50 or more FTEs) are required to report using Form 1094-C and 1095-C. Small employers who offer self-funded plans must report using Form 1094-B and 1095-B. Small employers who offer fully-insured plans or no group health plan at all are not required to do any reporting.

<p>If there was no offer of coverage due to contract negotiation, how much you anticipate the penalties will be to the employer?</p>	<p>For applicable large employers (50 or more FTEs), if the employer fails to offer coverage to at least 95% of full-time employees and their dependent children, the penalty under §4980H(a) will likely apply - (full-time employee count – 30) X \$2260 annually for 2017 (or X \$188.33/month). If the employer offered to 95% or more but missed a few due to contract negotiations, there may still be some risk under §4980H(b) - \$3390 annually in 2017 (Or \$282.50/monthly) for each full-time employee who is not offered minimum value, affordable coverage who enrolls through a public Exchange and qualifies for a tax subsidy.</p>
<p>re: cadillac tax-are these rates total cost or cost to employee?</p>	<p>When determining the cost of coverage for purposes of calculating the Cadillac Tax, consider the total cost or premium (employee and employer contributions).</p>
<p>will you please clarify whether reporting is required for a qualified dependent, such as an ex-spouse now on COBRA?</p>	<p>If a plan is fully-insured, the insurance carrier will handle reporting coverage information under the plan. If a plan is self-funded, the employer is responsible for reporting coverage information for any individuals covered under the self-funded plan, including employees and non-employees (e.g. COBRA participants or retirees), as well as their spouses and dependents. Therefore, if this involves a self-funded plan, YES, reporting would be required for the ex-spouse covered as a COBRA participant.</p>
<p>When the file is rejected it does not mentioned what the problem is with the employee. How do we know what correction need to be made it?</p>	<p>There is supposed to be a code provided along with errors to indicate what might be causing the issue. Specifically for mismatched names and SSNs/TINs, originally there wasn't anything to indicate whether it was in relation to the employee or dependents, but our understanding is this has now been updated and will be made more clear going forward.</p>
<p>What happened if all the information provided by the employee is correct and comes back as error?</p>	<p>If the employer reported what it believes to be accurate information, there is nothing further to do (no corrections can be made and submitted), but it would be advisable to keep records of any efforts to verify the information (e.g. reaching out to the employee to confirm SSNs).</p>
<p>Are we required to contact terminated employees for mismatched Name &amp; TIN/SSN?</p>	<p>We're not aware of anything that would allow employers not to follow the reasonable cause procedures (i.e. reaching out up to 3 times to verify information) for terminated employees.</p>
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