PPACA UPDATE					
"Run the numbers, then crunch them just to be sure."	Karen Haase Bobby Truhe KSB School Law (402) 804-8000 Karen@ksbschoollaw.com bobby@ksbschoollaw.com KSB School Law @KarenHaase @btruhe				

The Agenda

- Where do things stand?
- Key considerations with tax penalties
 - Assessment of tax penalties
 - Which type of measurement method?
- Employer reporting requirements



Where do things stand?

- Transition relief has begun!
- 100+ "Large Employers" may be subject to "unaffordable" tax penalties
- Collect 2015 "Large Employer" data
- Be proactive about planning

King and House

- King v. Burwell (4 cases)
 - Challenging federal exchange subsidies
- House v. Burwell
 - Challenging subsidies and delays

PPACA Tax Penalties



Full-time Employees	Ful	ll-tim	ie En	nplo	yees
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"The term full-time employee means, with respect to a calendar month, an employee who is employed at least 30 hours of service per week, or 130 hours of service in a calendar month."

- 30 x 52 = 1560 / 12 = 130
- Employment break period: 4 weeks or more
- Hours (numerator) / Weeks (denominator)
- Create your "Impact List"

"Shared Responsibility Tax"

- 2 Types of "Tax" (aka "Penalties")
 - "Death Penalty": Fail to offer insurance to 95% or all but 5 FT employees (PPACA margin of error)
 - "Individual Employee Penalty": Offer "unaffordable" insurance to any full-time employees

Assumes EHA plans all meet minimum coverage/value requirements

Affordable v. Unaffordable

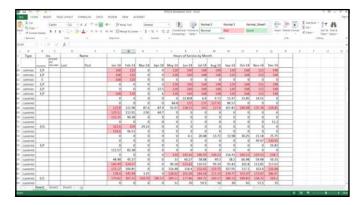
- EE can't pay more than 9.5% of household income on the cheapest single only plan
 - W2, Poverty Level, and ROP safe harbors
- Monthly Tax is 1/12th of \$3,000 (\$250) for each EE who obtains
 - (1) insurance on the health insurance marketplace ("exchange"), AND
 - (2) an insurance premium credit

Tracking "Full-time" Employees

- Monthly Measurement Method
 - Allows calculation of penalties monthly based on hours for that month
- Lookback Method
 - May fully eliminate as "full-time" some who would be "full-time" in certain months

Reporting Requirements

- The IRS assumes you know the rules!
- For "Large Employers" to the IRS
 - Collect employee data (TIN, dependent info)!!!
 - Certify "Large Employer" number
 - Reprieve from reporting penalties for 2016
 - 2 Forms: 1094-C and 1095-C
 - Must be filed with the IRS on Feb. 29, 2016 (paper) or March 31, 2016 (electronically)





Reporting Requirements

- For "Large Employers" to all "full-time" employees
 - This assumes you have properly calculated "fulltime" status for each employee—penalties in 2017
 - Provide "statement" to "full-time" employees by Jan. 31, 2016, which can be form 1095-C
 - May be done electronically with 5-factor test satisfying "consent"—(remember those Oct. 31 forms from 2013!?)

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PPACA Moving Forw	ard
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• 1/1/15:	begin	transition	relief
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- 1/1/15: begin transition relief
 6/1/15: reduce hours/amend contracts
 6/10/15: track hours if using lookback method
 10/1/15: new EHA plan info
 10/1/15: PPACA impacts bargaining
 2/1/16: survey staff re PPACA
 3/1/16: form subgroups if needed
 6/9/16: end of 12-month hours tracking
 6/1/16: make new offers

- 6/1/16: make new offers
 7/1/16: EHA application deadline
 9/1/16: begin penalties & stability period

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