



PPACA

Obligations, Fees & Penalties

Prepare for Tomorrow!

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Employer Obligations

2013

- Grandfathered Health Plans
- CDHP Limitations
- State Health Exchange Notifications
- Medicare Tax
- W-2 Aggregate Reporting
- MLR Rebate
- Variable Hour Workforce Planning
- Establish Measurement Periods

2014

- Individual Mandate
- Large Employer Mandate
- Essential Health Benefits
- No Annual Limits
- Limited Waiting Periods
- Auto Enrollment



Reform & Small Employers

Do You Qualify for Small Business Health Care Tax Credit?

- Fewer than 25 FTE for Tax Year
 - 1 FTE = 40 hours/week
 - ½ FTE = 20 hours/week
- Pay average wage of less than \$50k/year
 - 10 FTEs = \$200k/year
 - Average wage = \$20k/year
- Pay at least 50% of health insurance
- Sliding scale premium credit up to 35%
- IRS Form 8941



**** To Do ****
Visit

<http://www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-Employers>

Calculate tax year
eligibility and credit

Reform & Large Employers

On the Horizon – Pay or Play

- Employers with 50 or More FTEs
 - FTE = at least 30 hours/week or 130 hours/month
- Penalties Depend Upon
 - Eligibility for self and child dependents
 - Affordability of group benefits
 - Minimum essential benefits
 - Subsidies

Reform & Large Employers

Who is the Employer?

- Wholly Owned Subsidiaries
- Parent/Subs
- Brother/Sister Companies
- Service Affiliates

****To Do****
Determine control
group and
variable hour
employee #s

Who is an Employee?

- Full time
- Part time
- Seasonals
- Special Employees



Reform & Large Employers

Pay or Play

- Unaffordable or Below Minimum Essential Coverage Penalty
- Penalty = \$3,000

Example

Bob is the lowest paid FT W-2

Bob makes \$30k annually

Bob pays \$2,900/year for individual coverage

Bob's coverage is unaffordable

Reform & Large Employers

Pay or Play

- No Coverage Penalty
- \$2,000/FT Employee
- Subsidy

Example

ABC Company employs 225 FT's

FT Managers = 25

FT Field Employees = 200

ABC Offers Coverage to Managers Only

No Coverage Penalty = \$340,000

Reform & Large Employers

Additional Fees

- PCORI Fees
- Reinsurance Fees

Safe Harbor Relief

- Affordability
- Seasonal Eligibility
- Measurement Periods
- Non-CY Plan Relief



****To Do****

**Determine affordability
and measurement
periods**

Reform & Large Employers

Plan & Prepare

- Workforce Planning
- Coverage Options
- Safe Harbors
- Changes Expected





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Questions?

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