

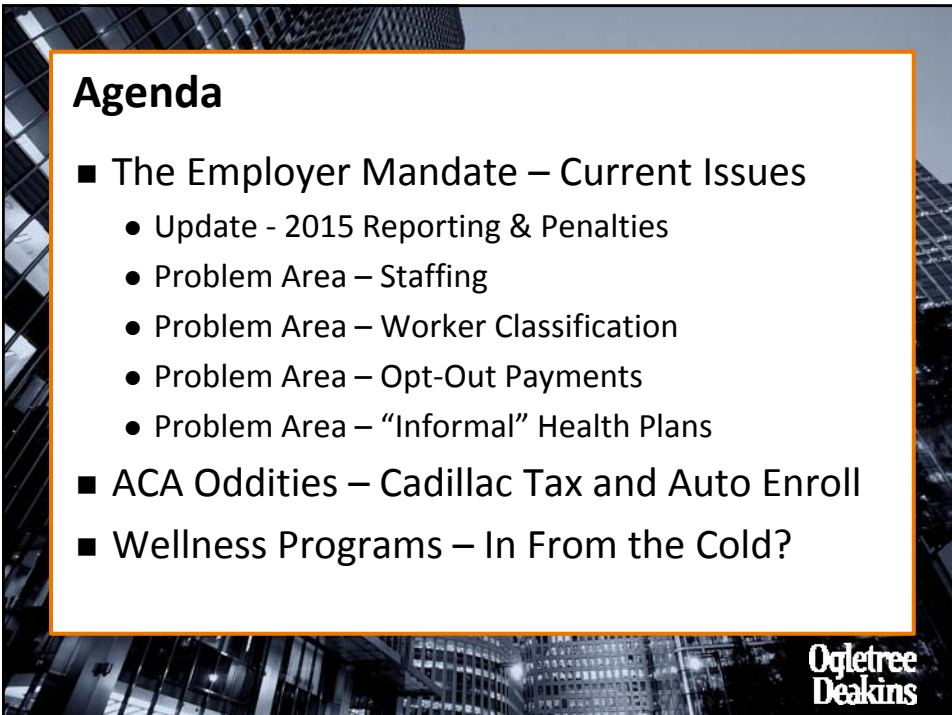
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MANAGEMENT
2016

What's New With the Affordable Care Act?

Presented by: Timothy G. Verrall



Agenda

- The Employer Mandate – Current Issues
 - Update - 2015 Reporting & Penalties
 - Problem Area – Staffing
 - Problem Area – Worker Classification
 - Problem Area – Opt-Out Payments
 - Problem Area – “Informal” Health Plans
- ACA Oddities – Cadillac Tax and Auto Enroll
- Wellness Programs – In From the Cold?

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ACA – Mandates & 2015 Reporting

- “MEC” Reporting – Forms 1094/1095-B
 - Due by March 31, 2016
- “ALE” Reporting – Forms 1094/1095-C
 - Employee statements due by March 31, 2016
 - Submit to IRS by May 31 (paper) or June 30 (electronic)
- Why is this reporting important?

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Problem Area #1 - Staffing

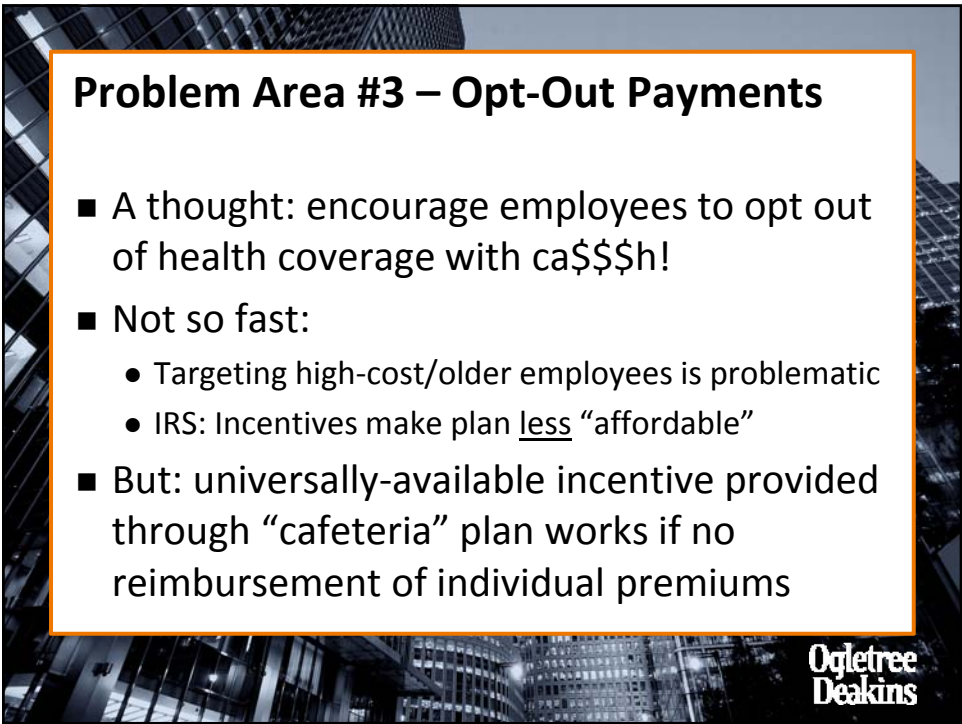
- Common law employment is the key...
- ...but who's the “employer”?
- ACA regulations offer a solution:
 - Agency offers qualifying coverage
 - Recipient entity pays extra for enrollees
 - Mandate is satisfied for both parties
- But: not all staffing agencies are equipped to comply

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Problem Area #2 - Classification

- Worker classification a persistent issue for taxes and benefit plans
- Vague rules and very fact-specific
- Failure to properly classify workers can lead to ACA penalty exposure in addition to the rest of the traditional parade of horrors



Problem Area #3 – Opt-Out Payments

- A thought: encourage employees to opt out of health coverage with ca\$\$\$h!
- Not so fast:
 - Targeting high-cost/older employees is problematic
 - IRS: Incentives make plan less “affordable”
- But: universally-available incentive provided through “cafeteria” plan works if no reimbursement of individual premiums

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