



July 2015 Issue

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Supreme Court Rules Subsidies are Legal

The Supreme Court today handed the Obama administration a major victory on health care, ruling 6-3 that nationwide subsidies called for in the Affordable Care Act are legal.

"Congress passed the Affordable Care Act to improve health insurance markets, not to destroy them," the court's majority said in the opinion, which was written by Chief Justice John Roberts. But they acknowledged that "petitioners' arguments about the plain meaning ... are strong."

"Supreme Court Rules Obamacare Subsidies Are Legal", JUNE 25, 2015 10:14 AM ET NPR News

Click [here](#) to read more from NPR.

Click [here](#) for the text of the ruling from SCOTUSA

Quote of the month

"When you are inspired by some great purpose, some extraordinary project, all your thoughts break their bounds. Your mind transcends limitations, your consciousness expands in every direction and you find yourself in a new,

Excise Tax on High-Cost Health Coverage ("Cadillac" Tax)

Beginning January 1, 2018, the Patient Protection and Affordable Care Act (PPACA) will impose a significant penalty upon certain benefits-rich plans that exceed specific thresholds. The excise tax will impact so-called "Cadillac" plans. A "Cadillac" plan is high-cost,

great and wonderful world. Dormant forces, faculties and talents become alive, and you discover yourself to be a greater person by far than you ever dreamed yourself to be."

Patanjali

Client Testimonials

"Theresa Semple has been my companies' benefits broker for slightly over 10 years. And yes, I spelled companies' correctly because there was no one I trusted more to handle employee benefits when I started with a new company in 2010 than Theresa. Her knowledge of the insurance industry, the level of customer service she provides, and the personal attention she gives to any issues that may arise, set her far apart from other brokers out there. "

~ Lori Forrest
NJ Company

"For more than 15 years Theresa Simple has been my health insurance broker. In that 15 plus years Theresa and I have not only developed a wonderful working relationship I also have the honour to consider her a friend. Her dedication to helping my company achieve not only the best insurance out there but the most cost efficient insurance. Theresa's knowledge and customer service qualities I have not experienced from any other broker in all my years here at Beau Label. She makes me feel like I am her only client. "

~ Chiarina, Controller
NJCompany

employer-sponsored health coverage that provides benefits exceeding the annual threshold. The excise tax applies only to the benefit amount exceeding the threshold, not the entire cost of coverage. Despite the fact that 2018 is still a few years away, it is never too early to plan for the excise tax. Many of today's average plans will exceed the cost ceiling thresholds. This article provides employers with a better understanding of the tax and areas where further guidance from regulators would be appreciated. Additionally, this article highlights several factors that will affect the amount of excise tax due. It is important for employers to keep the tax in mind when planning. The failure to properly plan ahead may leave an employer in a precarious position when the tax becomes effective. To learn more about this excise tax, click [here](#).

What are The Information Reporting Rules for Employers, Plans and Carriers ?

The Employer Reporting statute calls for employers, insurers, and other reporting entities to report in order for the IRS to enforce the Individual Responsibility and Employer Shared Responsibility a/k/a Play or Pay provisions.

The final rules have been issued. The FINAL forms and instructions were provided on February 8, 2015. Thankfully they are very similar to the DRAFT forms issued July 14, 2014 and the DRAFT instructor pages of August 29, 2014.

The ACA provides for information reporting under Internal Revenue Code section 6055 by insurers, self-insuring employers, and other parties that provide health coverage. It also provides for information reporting under Code section 6056 by employers that are large enough to be subject to the Employer Shared Responsibility provisions regarding the health coverage they offer their full-time employees.

Note that the employer is responsible to report on any CBA plan in place. As such, the employer and the multiemployer plan must coordinate information. Section 6055 applies to issuers (carriers) for fully insured plans and to self-funded employers. This will assist in the enforcement of MEC (Minimum Essential Coverage) under the Individual Responsibility provision. Carriers will report on fully insured plans using 1094-B (a transmittal form) and 1095-B. Issuers that provide MEC report on the individual and group plans in the private market and SHOP marketplace plans

Self-funded plans report using 1094-C and 1095-C. Reporting will include a list of individuals with identifying information and the months they were covered. A statement must also be sent to each individual with MEC.

Section 6056 applies to fully insured large employers (ALEs) to assist in the enforcement of the Employer Responsibility/ Play or Pay provision.

Do You Need?

Travel Insurance
Title Insurance
Human Resource
Mortgage
IT Staffing Services
Business loans
Real Estate
Architect
Employment Attorneys
Litigation Attorneys
HCR Attorney
Real Estate Attorney
Human Resource
Property Casualty
Financial Planning
Limousine Services
ERISA
FSA
HRA/HSA
Accounting
Banking
Marketing
Electrician
Pool Service
Contractor
-Commercial/Residential
Business Consulting
Payroll
Credit Card Processing
Landscaping
Green Engineering
Freight
-Transportation
-Storage

An ALE is an Applicable Large Employer. That is determined by the number of full-time and full-time equivalents in the preceding calendar year.

Example:

For the first year of application of Play or Pay, an employer may use any six consecutive month period in 2014 to determine group size. If the employer group has at least 50 fulltime and fulltime equivalents in 2014, they are subject to Employer Play or Pay in 2015. The employer is reporting on 2015 data in 2016.

When measuring for 2016, the look back is calendar year 2015. If the group is not an ALE in 2015, they are no longer subject to Play or Pay in 2016 and don't have to report on 2016 data in 2017.

Employers will report using 1094-C and 1095-C and include a list of full-time employees and information about the coverage offered to each, by month, including the cost of self-only coverage.

-1095C self funded plans subject to the Employer Responsibility a/k/a Play or Pay file Part III

A statement must also be sent to each full time employee.

The instructions state:

- Must report to the IRS by 2-29-2016 or 3-31-2016, if filed electronically

-Entities that send at least 250 Form 1095-B must file electronically

-If Saturday, Sunday, or a Holiday, it's the next business day

-Statements to insureds by 1-31-2016 (since that is a Saturday, statements due 2-1-2016)

Failure to file timely and correct returns will result in a penalty of \$100 for EACH return, not to exceed \$1.5M for all failures in the calendar year.

Higher penalties will be assessed for failure due to intentional disregard.

For reports filed in 2016, no penalties for incorrect or incomplete information if "good faith" efforts were made to comply.

<http://www.treasury.gov/press-center/press-releases/Pages/jl2310.aspx>

<http://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-on-Information-Reporting-by-Health-Coverage-Providers-Section-6055>

<http://www.irs.gov/pub/irs-drop/n-13-45.pdf>

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