

6055- 6056 Updates for Health Coverage Reporting 2018

Lisa Duquette: Thank you for joining us as we begin year 4 of Accountable Care Act Health Coverage Reporting. My name is Lisa Duquette and I'll be walking you through some of the updates for 2018. This webinar is intended to supplement the 2017 recordings for small and large employers which remain available on the SchoolCare website. As always, if you have specific questions pertaining to your reporting or the Accountable Care Act as a whole, please be sure to check with your legal counsel.

For our agenda today, we'll start with a very brief background on IRS reporting for health care coverage then we'll touch upon some reminders, minor 2018 reporting updates, and deadlines. Lastly, we'll cover next steps and resources. You will also notice the certified health care reform specialist seal; we have staff members who have achieved this designation and are ready to support your follow up questions.

A little bit of background, the IRS created Internal Revenue Code 6055 and 6056 for administration of the Accountable Care Act's health insurance requirements for 6056. It aids in the administration of the ACA's individual mandate. While 6056 is for employer-sponsored plans to ensure that they are providing minimum essential coverage and are important for the employee, I can't stress enough the importance that all SchoolCare member groups must do some reporting regardless of the number of employees. This is because SchoolCare is a self-funded plan and all self-funded plans must report.

Reporting comes in the form of all employees that includes part-time employees', early retirees, and Cobra participants. It does not include reporting on Medicare supplement plans such as the SchoolCare 65+ plan.

Just a couple reminders; it's very important to know before you begin the process, if you are an applicable large employer which is defined as having 50 or more full-time equivalent employees. That impacts the sections of the Internal Revenue Code which you must report under. For a complete description of calculating your full-time equivalence, please refer to the 2017 recording.

Another important reminder is that you must make a reasonable effort to collect Social Security numbers when you receive your listing from SchoolCare. Review the listing to see if you are missing any Social Security numbers for any individuals. If you are, have you documented the three attempts to obtain that information? If so, you're all set. Otherwise continue to make three reasonable attempts to obtain the SSN.

Now there weren't many changes for 2018, but there is a very subtle change on forms 1094 B and 1095 B. Previously the name field was one single field and it's

now been broken into three separate fields; first, middle, and last names. SchoolCare will provide reporting with these in three separate fields.

Next is that the affordability threshold has decreased. It's very important to try to use the federal poverty line safe harbor. However, as this reduces your administrative burden when reporting, if single coverage for the lowest cost plan offered to your employees is less than \$96.08 per month, then you can use this safe harbor provision.

And lastly, don't forget penalty enforcement continues. There is a new letter 5699 for failure to submit informational reports that is now being issued by the IRS. We don't anticipate any SchoolCare member groups receiving this letter but if you receive either letter 226J or 5699 never hesitate to contact SchoolCare. We're here to assist you.

As far as reporting deadlines, remember that regardless of School Care's plan year being July to June, you as an employer must report based on the IRS calendar year. Individual statements for your employees, cobra participants, and early retirees have already been delayed from January 31st to March 4th however reporting to the IRS has not been delayed. If you're a paper filer, you must report by February 28, 2019, those who E-file and those are required for those employers with 250 or more full-time equivalent employees, must file by April 1st, 2019.

Next steps. While SchoolCare will be providing a data file by December 19th that includes all the information that you need on the individuals covered on your plan, remember you must report those individual 1095 forms to employees by March 4th 2019 and you must do your IRS reporting either by paper or electronic by February 28th or April 1st accordingly.

We have a few updated resources for you as you begin to prepare documents. So, don't hesitate to utilize these links to find important information, and as always, we appreciate your participation in the SchoolCare health benefit plans and are here to assist you. For any questions, call SchoolCare at 1-800-562-5254. Have a great day.