

## 6055 and 6056 FAQs Frequently Asked Questions

**FAQs Date:** August 23, 2016

Red Fonts should be discussed on next webcast.

Webinar Questions	ED response
If we are under 50 employees, do we still need to tell y'all if they have Tricare?	If the June 30, 2016 census that IEBP pulls is less than 50 the answer is No
Is it 50 full time employees of 50 full time w2 forms?	Employee count is based on you W-2 form count. The census count is not only dictated by full-time status.
We are a non-ale employer and we pay all full time employees ins premiums do we do anything special?	No. The IEBP assumptions in your spreadsheet should be accurate. You will just double check that we have all employees on the spreadsheet and identified in the appropriate months.
What if we have a retired employee that now has insurance in the marketplace and now we would like to use them as a part time employee. Non ALE and 24 hours per week?	If you are a NON ALE you are not required to play which means you are not required to offer benefit coverage.
50 active employees, or, does this include terminated employees and/or seasonal employees?	June 30, 2016 date will identify the count of employees that have IEBP benefits. You payroll and your W-2 Forms should identify your census count that identifies if you are an ALE or Non ALE.
Your slide shows Non-ALE at August 2016 2-3, just FYI	Thank You. I found one more typo of mine when I was going over the information. My apologies.
I don' t think we are prepared to go paperless. There will be too many people resisting.	Got it. We will keep you posted.
There is a difference between the market place and Medicaid for Children or CHIP insurance right?	Yes
City of White Oak pays 100% of each full time employee's health care. Will our data change for calculation for the affordable health care?	June 30, 2016 census will identify if you are ALE or Non ALE. This will stipulate if your worksheet changes or not.
Non-ALE Employer question: Do we need to create a new Measurement Period form every year without any employment changes?	If no FTE position changes, no benefit change to employees, no new measurement period will be required.

Webinar Questions	ED response
<p>I have one full-time employee that does not take the insurance out on his dependents. They are on Medicaid, I believe. We offer an affordable plan, only charging employees \$100 contribution for dependent coverage. Should this employee take out the insurance on his family?</p>	<p>The employer cannot make employees take insurance out on family members. Employers are mandated to offer benefit to employees, biological and adoptive children. If the employee declines coverage for dependents the employer cannot require the employee to accept benefits. The IRS will only be involved if the dependents are registered on the Insurance Marketplace and receive subsidy dollars because they all between 100-400% of the FPL. If that occurs the IRS could send notification letter requesting if the employer offered the employee affordable minimum essential benefits. The employer will be required to respond to the IRS notification letters.</p>
<p>If we are 50 and under, have a PT employee that works 30-32 hrs a week, are they considered FTE and we need to offer insurance?</p>	<p>A better way to ask this question is if you have less than 50 W-2 Forms and a PT employee works 30-32 hours a week to you need to offer them benefits. The answer would be No. If the employer has 50 or more W-2 Forms, the above 30-32 hour a week employee would be considered full time if they work that many hours a week for a consecutive six month period of time.</p>
<p>So the answer to the previous question someone answered for those 49 and under employees, we don't have to offer insurance to part-time employees working 30-32 hours per week, and doesn't matter if they are counted as full-time or part-time??? We have less than 30 employees.</p>	<p>You are a Non ALE employer and are not required to offer benefit coverage to your employees. Your comment is accurate.</p>
<p>We have a total of 56 employees. Full time is 45 full time and 11 part time. 8 part time are seasonal and the other 3 work less than 30 hrs week. Do I count the total group for being a large/small employer or just count full time?</p>	<p>I would like to discuss this with the group. I will answer in writing, but might need a conversation to support the following information. You are on the cusp of an ALE and it makes this conversation very difficult. Initially, the insurance mandate required employers to count their W-2 Forms for their census count. That means your full-time, part-time and seasonal employees would be calculated into your census count. At that point, you would be defined as an ALE or NON ALE employer. Once defined as an ALE, the employer would be required to provide healthcare benefits to full-time equivalents</p>

Webinar Questions	ED response
	defined by 30 hours a week, 130 hours a month for six consecutive months. The employer would have a 30 life deductible transition relief procedure.
If we are a Non-ALE employer, and pay for our employees ins., do we have to pay a certain amount of their dependent coverage?	No
What if the Employer Pays all of employees insurance?	The employer should be compliant and you will audit the IEBP fields to ensure accuracy.
If your employer pays 100% of the employee only cost, then you are in compliance.	Yes
If we pay our employees premium, do we still need to go through the steps of making sure we are an affordable care?	No, If is affordable because the employee only coverage is at no out of pocket expense for the employees.
<p>I needed to ask where I would find what constitutes someone to be contract labor versus part time. We currently have an employee working as contract labor at our recycle center which is open Wednesday from 9 am to 5 pm and Saturdays from 8 am to 4 pm. The individual at the recycle center is paid minimum wage of \$7.25 an hour biweekly and no taxes or Medicare are deducted.</p> <p>Then we the judge that will come in if he has any appointments, some weeks he has none, but is paid twice a month a set amount of \$300 for a total of \$600 per month with no taxes or Medicare deducted. And lastly, we have a building inspector that is an “as needed” basis that is paid salary biweekly and has taxes taken out of his salary. The above scenarios were already set up when I started employment and I just wanted to know if you could let me know if this is correct or what changed that need to occur.</p> <p>Please advise. Thank you!</p>	<p>Contract workers from a professional staffing agency will defer to state definition and staffing agency agreement (who maintains will over employee—what shall be done and how it shall be done, who furnishes tools) Contract workers from a professional staffing agency will defer to state definition of employee for measurement requirement application.</p> <p>If you are contracting labor directly, and you are providing supervision, direction, and the equipment to get the job done---it will be a decision an attorney should review for an accurate answer. TML printed an article about this last year in one of the TTC magazines. I have requested a copy of that article. You could call them directly if necessary.</p>
Information only has to be submitted for dependents receiving medical coverage correct? If there are dependents receiving dental or vision only this does not apply to them?	Correct. Coverage for only Medical benefits. The insurance mandate does not apply to dental and vision benefits.
What are the requirements for W-2s this year regarding ACA reporting?	At this moment the W-2 Reporting requirement will apply to employers with 250 or greater 2-3 Forms.
While our employees may have electronic access; what would the process be for the terminated employees	The employer would need to contact them and obtain written approval that they could accept the individual transmittal electronically. With approval we would send electronically. No approval, we would need to submit a paper individual transmittal to the last address on file.

Webinar Questions	ED response
We offer employee medical coverage, with the district paying a large portion of the premium for the employee. First of all, is the employee allowed to decline coverage if they don't have any other coverage? If they do decline, without having other coverage, are we, the employer, penalized?	PPACA requires employers to offer minimum essential affordable coverage. It does not mandate employees purchase the coverage. Employees are responsible to be compliant with the insurance mandate law. If the employee declines coverage, the employer could be required to complete a response to the IRS notification letter. No other penalties should be applied per the regulations today.
Where will we enter employee information for those employees who are not FTEs and not in the TML system?	I would recommend you note FTE employees who are not accessing IEBP benefits in your payroll system.
I am in favor of the paper forms, however, why can't those forms be sent to me at the City's address so that I can distribute rather than be mailed to the last known employee address?	Let me discuss this with Greatland. I hate to put your on the hook for distribution just in case you are having trouble locating someone and it creates a delay in their receipt of the information.
Secondary question. Will there be options to have electronic for current and paper for terminated ee	I will look into this. I will work with my HITECH personnel to develop workflow and we will discuss on the next webcast.

**FAQs Date:** August 16, 2016

- On page 40 of the presentation, the Codes 1E - 1 H are confusing. We offer benefits to full time employees and pay 100% of the contribution/premium. We do offer the same benefits to the spouse and/or dependents but do not pay any portion of the premium. Which Code do we use.
  - 1E **Red Font** As long as your coverage pays 60% for network benefit percentage (minimum essential coverage).
  - 1G could be used for employees that are not full-time but were enrolled in the benefit plan.

<p><b>1095-C Purpose of Form:</b> 1095-C form to report the information required under section 6055 and 6056 about offers of health coverage an enrollment in health coverage for employees. Health Coverage Offered by your Employer: Employers are required to furnish Form 1095-C only to the employee. As the recipient of this Form 1095-C, you should provide a copy to any family members covered under a self-insured employer-sponsored plan listed in Part III if they request it for their records.</p>						
Part Information about the Coverage	Column	Noted Revisions	Lines	Codes	CY2016	CY2015
Part II: Employer Offer of Coverage				1E	Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.	Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.
				1F	Minimum essential coverage NOT providing minimum value offered to you, or you and your spouse or dependent(s), or your, your spouse and dependent(s).	Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s). or employee, spouse and dependents. ("skinny MEC") Note:

					Coverage does not cover at least 60% of the cost of health services.
				1G	You were NOT a full-time employee for any month of the calendar year but were enrolled in self-insured employer sponsored coverage for one or more months of the calendar year. This code will be entered in the All 12 Months box on line 14.
				1H	No offer of coverage (you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage).

➤ What is Measurement Period for FTE (*used primarily for new hires and status changes*)

- Employers may measure full-time status using either a Look-Back or monthly measurement method.
- Look-Back Period: 3, 6, 12 months
- Stability Period: 6-12 months
- Must be at least six (6) consecutive calendar months, but may not be shorter than the Measurement Period
- Administrative Period
- No more than ninety (90) days between the end of the Measurement Period and the start of the Stability Period
- Waiting Period cannot be in excess of 90 days unless document 30-day orientation period
- Full-Time Equivalent
  - 30 hours a week
  - 120 hours a month for a 4 week month
  - 150 hours a 5 week month
  - 130 hours a month/1560 hours a year
  - Assure coverage to all full-time equivalent employees and their biologic and/or adoptive children
  - Sick, family leave, vacation hours, jury duty hours accumulate to the full time calculation
- Seasonal employee
  - Hired for typically not more than 6 consecutive months each year;
  - May be measured under look-back period up to 12 months from date of hire, no benefits need to be offered until end of measurement period if deemed to be a FTE employee.
  - Employees rehired with less than a 13/26 week break in employment may apply "rule of parity" if rehired with a greater than 13/26 week break, will be treated as new hire.
  - Employer may exclude seasonal employees if the only reason why employer employed more than 50 employees was due to seasonal employees who worked less than a 120 days
  - Employees not paid on an hourly bases may be calculated on (1) counting actual hours of service; (2) using a days-worked equivalency, which credits the employee with 8 hours of service for each day or (3) using a weeks-worked equivalency of 40 hours of service per week.
- Interns, volunteers and/or grant compensated employees should be included in FTE assessment
- Who is Full-Time
  - Contract Workers
    - Workers from a professional staffing agency will defer to state definition of employee for measurement requirement application.
  - Variable Hours

- Employee hours that fluctuate week to week over and under 30 hrs/wk
- Break in employment 13/26 (ISD) weeks is considered new hire

Who are **not** considered FTE

- Federal or state sponsored volunteers who do not receive compensation except for reimbursement of reasonable expenses and certain reasonable benefits and nominal fees
- Hours worked for income that is taxed as income from sources outside the U.S.
- Unpaid interns
- Students in federal work-study programs
- Typically independent contractors, sole proprietors, volunteers, and partners are not included in the Measurement Period
- Volunteer Firefighters (at this time)
  - At this time the IRS has not initiated a formal rulemaking proceeding to determine whether volunteer firefighters (or any other volunteer) are to be considered employees for purposes for the Affordable Care Act.
  - Therefore, it would be premature to draw any conclusions on how the IRS could rule on this issue or to take action in support of any legislation without more clarification.
  - Contract workers from a professional staffing agency will defer to state definition and staffing agency agreement (who maintains will over employee—what shall be done and how it shall be done, who furnishes tools)
- \*\*\*still in question 12/16/15 worker’s comp and COBRA participants

Employer Example for Measurement Period:

- February 2016 through April 2016
  - Identify FTE Positions
  - Hours worked pre FTE Position
    - Week
    - Month
  - One Day short of 13 full weeks
    - Hard to measure break in coverage and rehire calculation 13/26 week for ISD’s

Employer Example for Tracking Full/Part Time Payroll Hours :

Employee Name/Position	Jan	Feb	Mar	April	May	June	July	Average
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
PT	0	0	108	124	124	129	95	116.00
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
PT	106.5	118	110	113.5	73.5	0	0	104.30
PT	111	118	128	120	123	137	105	120.28
FT	168	168	184	168	176	128	0	165.33

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Employee Name/Position	Jan	Feb	Mar	April	May	June	July	Average
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
FT	168	168	184	168	176	176	168	172.57
PT	76	97.5	78	52	81.5	10.5	0	56.5
PT	0	0	0	0	0	0	85.5	85.5
FT	168	168	184	168	176	176	168	172.57