

### INTRODUCTION

- Looking Towards 2014
- "Pay or Play" Tax
- What is a Full-Time Employee and Why Does it Matter?
- Who is the Employer?
- ACA Fees (not to be confused with taxes...)
- Changes in Benefits
- Exchanges and How They Might Affect You and Your Employees
- What You Should be Doing Now



## **LOOKING TOWARDS 2014**

- Many changes on the horizon
- Make sure you understand what your responsibilities are
  - Understand what AHP is doing FOR you
- Communicate changes that will take place on AHP with your employees
- Call us if you need assistance or have questions





### "PAY OR PLAY" TAXES

- Who do the taxes apply to?
  - Employers with 50 or more full-time employees and full-time equivalents
- · How does it work?
- "Sledgehammer" penalty or "Tackhammer" penalty





## WHO IS THE EMPLOYER?

- Control group rules from the IRS apply
  - Multiple legal entities treated as if they were one employer
  - The 50 count determined for the entire group
- Analysis should be done NOW
  - The analysis is the same as for retirement plan rules
  - Does not help to shift employees among members of control group



## ADVANTAGE.

## FULL-TIME EMPLOYEE - Are you a large employer?

- Are you subject to the tax?
  - Do you have more than 50 FTE's and FT equivalents?
    - If yes, you will be subject to the taxes
    - If no, you will not be subject to this tax
- Who is a Full Time Employee?
  - 30 hours per week average
- What is a Full Time Equivalent?
  - Non Full Time Employees converted to equivalents are counted to get to the 50
  - Variable/seasonal employees may be included in count





"PAY OR PLAY" TAX – "Sledgehammer"
If you
1. Offer no coverage or coverage does not meet the "minimum"
and
<ol> <li>If ONE full-time employee (FTE) qualifies for a subsidy on the exchange</li> </ol>
then
Tax applies based on all full-time employees
- \$2,000 for each FTE excluding the first 30
Tax is NOT deductible
(itte
<u>  DVANTAGE                                    </u>
THEALIN PLANS INUST

# "PAY OR PLAY" TAX — "Tackhammer" If you ... • Offer coverage that meets the minimums BUT 1. It is not 'affordable' for the FTE and 2. That FTE gets a subsidy on the exchange then • \$3,000 per each employee who receives a subsidy • Limited to the maximum that applies under Part 1 • Tax is NOT deductible



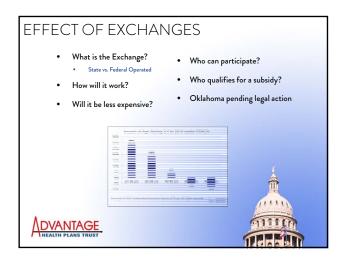
# WHEN "OTHER" BECOMES "FULL TIME" Monthly Monitoring System "Safe Harbor" Method

## PCORI - Patient Center for Outcomes Research Institute What is it? How much is it? When is it due? How it is filed? Who must pay it? Reinsurance Fee What is it? How much is it? How much is it? How it is filed? When is it due? How it is filed? Who must pay it?



## Waiting Periods No greater than 90 days AHP design will allow maximum of 60 days starting July 1, 2014 AHP Open Enrollment Change Open enrollment will be October 1 – December 15, 2013 for coverage effective January 1, 2014 No more late enrollees beginning on July 1, 2013 Preventive services expanded Women's health services expansion beginning on July 1, 2014

## CHANGES IN BENEFITS (cont...) • Minimum coverage requirements • Essential Health Benefits • "Affordable" Plans • 9.5% of "adjusted household gross" income • Safe harbor for employers: • 9.5% of employers: • 9.5% of employee's taxable income • Percentage of rate paid • Base minimum ACA plan • AHP will offer a plan option that meets minimums • Every bank will offer it



### PREPARE NOW

- Analyze entities in the control group
  - Determine if you will be subject to "pay or play" tax
  - Who is already an FTE?
  - Determine who is not an FTE
- Evaluate Cost Paying penalty for one employee may be cost efficient
- Encourage and highlight consumer education and consumerism
  - Plans that are self-funded are advantaged under the ACA
  - Stress the importance of looking at the cost of services
  - We can help you!
    - Healthcare Blue Book
    - Advantage Premier Providers





### BECAUSE MARIA SAID SO...

This presentation provides information of a general nature.

None of the information contained herein is intended as legal advice or opinion relative to specific matters, facts, situations, or issues. Additional facts and information or future developments may affect the subjects addressed in this presentation.

You should consult with a lawyer about your particular circumstances before acting on any of this information because it may not be applicable to you or your situation.





