



Marketplace Notice Employer FAQ

1. I have received a letter from the Marketplace stating an employee received a subsidy. What do I need to know?

- a. This letter is not from the IRS, it is a notification from the Exchange/Marketplace that an employee has received a subsidy.
- b. The letter gives possible reasons why an employee received a subsidy, but does not give the exact reason. The employer should evaluate why the employee is not covered by the Plan and then review the instructions below.
- c. The letter is NOT an invoice or a determination that you will have to pay a tax; however, this letter may be an *indication* that you may be liable for the employer shared responsibility payment/excise tax.
- d. The IRS will independently verify whether or not a tax is assessable. Receiving this letter does not automatically mean that the IRS will audit your Plan.
- e. The letter does not indicate, verify, or certify that you are an *applicable large employer* for the reported time period. Employers with fewer than 50 FT/FTE's may receive letters from the Marketplace.

2. Should I file an appeal?

- a. *Employer under 50 FT/FTE's:*

No. There is no need to file an appeal and no response is required. An employer (or control group) with less than 50 full time and full time equivalents is not subject to the fine.
- b. *Employers over 50 FT/FTE's (over 50 employees at the "control group"):*

Yes. We advise that you file an appeal. Appealing an incorrect determination provides an opportunity to potentially avoid an excise tax under the employer shared responsibility provisions. Since a specific reason is not provided in the letter, the employer should evaluate employees from each letter they receive.

Eligibility

The majority of these letters will be for employees who are not eligible for your Plan. If you find that the employee indicated is not eligible for the Plan, follow the link provided, and file an appeal. For the explanation portion of the appeal in Section 3, briefly explain that the employee was not eligible. For example:

- i. John Smith has not exceeded 30 hours per week of work for any month during 2016.
- ii. John Smith is in his waiting period of 90 days/orientation period.

Declined Coverage

If an employee has declined the coverage offered, you may briefly explain that the employee declined coverage. For example:

- i. John Smith declined our offer of coverage.

Minimum Value or "Affordability"

If your evaluation determines that the employee was eligible for the Plan, but they declined and enrolled on the exchange, it is possible that they have indicated your Plan did not meet Minimum Value or was not 'affordable.' If this is the case, please call us to discuss as soon as possible so that we may assist you in formulating an appropriate appeal response.

3. How do I file an appeal?

- a. Please go to www.healthcare.gov/downloads/marketplace-employer-appeal-form.pdf to download and print the form.
- b. It is important that the employer ID used on the appeal form match exactly with the employer ID that is used to file 1095 reporting. If you are part of a control group, you must use the employer ID from the member of the control group that filed the reporting. If The Kempton Company assisted you with filing, we can provide you with the employer ID used.
- c. **DO NOT mail to the address supplied on the form. This address is incorrect.** The secure fax number included is correct and should be used to submit your appeal. This fax number is 1-877-369-0129.

4. I have questions, who should I contact?

- a. Please contact your AHPT account manager at 1-800-521-1711.