

Employer Shared Responsibility Mandate and Reporting

2016

2017

- ALE determination was based on the full-time and full-time equivalent employee count for the 2015 calendar year.



Applicable Large Employer (ALE) Status

- ALE determination was based on the full-time and full-time equivalent employee count for the 2016 calendar year.

- Employers with 50+ FTEs were required to offer coverage to at least 95% of full-time employees to avoid a penalty.



Offers of Coverage

- Employers with 50+ FTEs were required to offer coverage to at least 95% of full-time employees to avoid a penalty.

- **\$2,160** per full-time employee minus 30, if at least one employee received subsidized coverage through a public Marketplace.



Penalty for Not Offering Minimum Essential Coverage (Section 4980H(a))

- **\$2,260** per full-time employee minus 30, if at least one employee received subsidized coverage through a public Marketplace.

- Health coverage was affordable for an employee if the employee's contribution toward the lowest-cost, self-only, minimum value coverage did not exceed **9.66%** of the applicable safe harbor:
 - a) Employee's W-2 wages
 - b) Employee's rate of pay
 - c) The Federal Poverty Level ("FPL")



Affordability

- Health coverage was affordable for an employee if the employee's contribution toward the lowest-cost, self-only, minimum value coverage did not exceed **9.69%** of the applicable safe harbor:
 - a) Employee's W-2 wages
 - b) Employee's rate of pay
 - c) The Federal Poverty Level ("FPL")

- 2016 FPL was **\$11,770**.

- Affordable individual premium based on FPL was **\$95.63**.

- 2017 FPL was **\$11,880**.

- Affordable individual premium based on FPL was **\$97.38**.

- **\$3,240** per full-time employee who received subsidized coverage through a public Marketplace.



Penalty for Offering Unaffordable Coverage or Failing to Provide Minimum Value (Section 4980H(b))

- **\$3,390** per full-time employee who received subsidized coverage through a public Marketplace.

- Furnish individual statements by **March 2, 2017**.
- Paper filing due to the IRS by **February 28, 2017**.
- Electronic filing due to the IRS by **March 31, 2017**.



Reporting Deadlines

- Furnish individual statements by ~~January 31, 2018~~. **Updated - March 2, 2018**
- Paper filing due to the IRS by **February 28, 2018**.¹
- Electronic filing due to the IRS by **April 2, 2018**.¹

- Filings that were no more than 30 days late: **\$50** per return/**\$532,000** maximum.
- Filings that were more than 30 days late (but not past August 1): **\$100** per return/**\$1,596,500** maximum.
- Filings after August 1 (or failure to file): **\$260** per return/**\$3,193,000** maximum.
- Intentional disregard - failure to file): **\$530** per return/**NO** maximum.



Late Filings and Failure to File Penalties

- Filings that are no more than 30 days late: **\$50** per return/ **\$536,000** maximum.
- Filings that are more than 30 days late (but not past August 1): **\$100** per return/**\$1,609,000** maximum.
- Filings after August 1 (or failure to file): **\$260** per return/**\$3,218,500** maximum.
- Intentional disregard - failure to file): **\$530** per return/**NO** maximum.

Penalties may be reduced or nullified for filing if the employer made a "good faith" effort to comply and file in a timely manner.

¹ 30-day extensions available using form 8809.

