

# Employer Shared Responsibility Mandate and Reporting

**2017**

**2018**

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



## Applicable Large Employer (ALE) Status

- ALE determination was based on the full-time and full-time equivalent employee count for the 2017 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.

- **\$2,260** 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))

- **\$2,320** 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 **9.69%** 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 **9.56%** of the applicable safe harbor:
  - a) Employee's W-2 wages
  - b) Employee's rate of pay
  - c) The Federal Poverty Level ("FPL")

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

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

- 2018 FPL was **\$12,060**.

- Affordable individual premium based on FPL was **\$96.08**.

- **\$3,390** 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))

- **\$3,480** per full-time employee who received subsidized coverage through a public Marketplace.

- Furnish individual statements by **January 31, 2018**.
- Paper filing due to the IRS by **February 28, 2018**.<sup>1</sup>
- Electronic filing due to the IRS by **April 2, 2018**.<sup>1</sup>



## Reporting Deadlines

- Furnish individual statements by **January 31, 2019**.
- Paper filing due to the IRS by **February 28, 2019**.<sup>1</sup>
- Electronic filing due to the IRS by **April 1, 2019**.<sup>1</sup>

- Filings that were no more than 30 days late: **\$50** per return/**\$187,500** maximum.
- Filings that were more than 30 days late (but not past August 1): **\$100** per return/**\$536,000** maximum.
- Filings after August 1 (or failure to file): **\$270** per return/**\$1,072,500** 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/ **\$191,000** maximum.
- Filings that are more than 30 days late (but not past August 1): **\$100** per return/**\$545,500** maximum.
- Filings after August 1 (or failure to file): **\$270** per return/**\$1,091,500** maximum.
- Intentional disregard - failure to file): **\$540** 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.

<sup>1</sup> 30-day extensions available using form 8809.

