



UPDATED MODEL EMPLOYER CHIP NOTICE NOW AVAILABLE

Model Notice Informs Employees of Eligibility for Premium Assistance Under Medicaid or CHIP

An [updated model notice](#) for employers to provide information on eligibility for premium assistance under [Medicaid](#) or the [Children's Health Insurance Program](#) (CHIP) is now available for download.

Annual Notice Requirement

Employers that provide coverage in states with premium assistance through Medicaid or CHIP must inform employees of potential opportunities for assistance in obtaining health coverage.

The employer CHIP notice must be provided annually before the start of each plan year. An employer may provide the notice applicable to the state in which an employee resides concurrent with the furnishing of:

- Materials notifying the employee of health plan eligibility;
- Materials provided to the employee in connection with an open season or election process conducted under the plan; or
- The summary plan description.

The [updated model notice](#) includes information on how employees can contact their state for additional information and how to apply for premium assistance, with information current as of [July 31, 2016](#).

ACA LATE FILING PENALTIES

IRS had extended the deadlines for paper filings to 5/31/16 and deadlines for electronic filings were extended to 6/30/16. If your company has not already filed, it is best to understand how severe the penalties can be should you soar way past these filing deadlines. A few pointers:

First, these penalties are per return, meaning per employee whose forms need to be filed. The penalties escalate as the dates lapse. With the 30-day deadlines now gone as of July 31st, so is the \$50 penalty per return.

Waiting until November 1, 2016 will increase those penalties to \$100 per return. After November 1, 2016, the penalties are \$260 per return.

There are penalty caps for both small and large businesses, but with the per-return penalties, some businesses could eventually owe significant dollars to the IRS.

Please see below regarding penalties for late ACA filers.

- If it has been 30 days after the filing deadline (June 30th, manual and July 30th, electronic), the reduced penalty is \$50 x return with a penalty cap of \$185K for small businesses and \$529K for large businesses;
- If filed by November 1st, the reduced penalty is \$100 x return, with a penalty cap of \$529K for small businesses and \$1.589M for large businesses;
- If filed after November 1st, the reduced penalty is \$260 x return, with a penalty cap of \$1.059M for small business and \$3.178M for large businesses.

ERROR MESSAGES AND THE ACA: A PRACTICAL GUIDE TO HANDLING MISSING AND INCORRECT TINs

Click [here](#) to read more about how to handle error messages when filing ACA notices with the IRS. *By Melissa Shimizu, Fisher Phillips*

CMS AND HHS PROPOSE 2018 ANNUAL COST SHARE LIMITS

A new **proposed 2018 Notice of Benefit and Payment Parameters** from the U.S. Department of Health and Human Services (HHS) and Centers for Medicare and Medicaid Services (CMS) addresses, among other things, the requirement under the Affordable Care Act that non-grandfathered group health plans limit annual out-of-pocket cost-sharing for coverage of [essential health benefits](#) under the plan. The law requires that these limits be updated annually.

2018 Proposed Annual Cost-Sharing Limits

The agencies updated the annual limits based on the premium adjustment percentage, generally for plans that begin on or after January 1, 2018. As a result, the **proposed** annual out-of-pocket expenses may not exceed **\$7,350 for self-only coverage** or **\$14,700 for other than self-only coverage in 2018**. [Click here](#) to read the proposed Notice of Benefit and Payment Parameters for 2018 in its entirety. A [fact sheet](#) is also available to provide guidance for employers and plan administrators.

BENEFIT DEADLINES FOR HEALTH AND WELFARE PLANS AND PROGRAMS

Click [here](#) to read more about complying with certain deadlines for Health and Welfare and Retirement Plans. *By Melissa Shimizu, Fisher Phillips*

