



TOP 3 ACA TERMS  
APPLICABLE  
LARGE  
EMPLOYERS NEED  
TO KNOW



EXPANDED TAX  
RELIEF AVAILABLE  
VICTIMS OF  
HURRICANE  
MATTHEW



2017 FSA AND HSA  
CONTRIBUTIONS,  
AND 2017  
MARKETPLACE  
PLANS AND  
PRICES ARE  
RELEASED



KEY DEADLINES  
FOR 2015 AND 2016  
BENEFIT YEARS

# HEALTHCARE ALERT



## Top 3 ACA Terms Applicable Large Employers Need to Know

### Definitions Essential to Understanding "Pay or Play" Conditions

In general, under the employer shared responsibility ("pay or play") provisions of the Affordable Care Act (ACA), [applicable large employers](#) - generally those with **50 or more full-time employees**, including full-time equivalent employees - may be subject to a penalty if they do not offer **minimum essential coverage** that is **affordable** and provides **minimum value** to their full-time employees (and their dependents).

Here are definitions to help employers understand these key terms:

Applicable large employers may be subject to a penalty if they do not offer **minimum essential coverage** that is **affordable** and provides **minimum value** to their full-time employees (and their dependents).

**Minimum Essential Coverage:** Minimum essential coverage includes, among other things, coverage under an [employer-based plan](#) (including self-insured plans, [retiree plans](#), and [COBRA coverage](#)). It **does not include** fixed indemnity, life insurance, dental, or vision coverage. [Click here](#) for more on what qualifies as minimum essential coverage.

**Affordable Coverage:** For plan years beginning in 2016, coverage is generally considered affordable if the employee's required contribution for the lowest cost self-only health plan is **9.66% or less** of his or her household income for the taxable year. Given that employers are unlikely to know an employee's household income, for purposes of pay or play, they may use a number of [safe harbors](#) to determine affordability, including reliance on Form W-2 wages.

**Note:** While [previously released guidance](#) updates the affordability threshold to 9.69% for plan years beginning in 2017 for purposes of the premium tax credit, the pay or play regulations regarding penalties for failing to offer health coverage and use of the affordability safe harbors were not updated to reflect this increase. Employers intending to take advantage of one or more of the three affordability safe harbors should therefore consult a knowledgeable benefits attorney or tax specialist for specific guidance on how to proceed.

**Minimum Value:** An employer-sponsored plan provides minimum value if it covers **at least 60%** of the total allowed cost of benefits that are expected to be incurred under the plan. Employers generally must use a minimum value calculator developed by the US Department of Health and Human Services (HHS) to determine if a plan with standard features provides minimum value. Plans with nonstandard features are required to obtain an actuarial certification for any nonstandard features. HHS has also proposed regulations for certain safe harbor plan designs that will satisfy minimum value.

For more information on which ACA provisions apply to your company, visit the IRS webpage on [ACA Tax Provisions for Employees](#).

An employer-sponsored plan provides minimum value if it covers **at least 60%** of the total allowed cost of benefits that are expected to be incurred under the plan.



## IRS: Expanded Tax Relief Available in Parts of Four States for Victims of Hurricane Matthew

### Extension Filers Have Until March 15, 2017 to File

The IRS has [announced](#) that Hurricane Matthew victims in much of North Carolina and parts of South Carolina, Georgia, and Florida have until March 15, 2017 to file certain business tax returns (and individual tax returns) and make certain tax payments. This includes an additional filing extension for those with valid extensions that run out on October 17, 2016.

### Emergency Relief

The tax relief postpones various tax filing and payment deadlines that occurred starting on **October 4, 2016**. As a result, affected businesses (and individuals) will have until **March 15, 2017** to file returns and pay any taxes that were originally due during this period. **This includes the January 17 deadline for making quarterly estimated tax payments.**



A variety of business tax deadlines are affected, including the October 31 and January 31 deadlines for **quarterly payroll and excise tax returns**. (The tax relief also includes the special March 1 deadline that applies to farmers and fishermen who choose to forgo making quarterly estimated tax payments.)

In addition, the IRS is waiving late-deposit penalties for federal payroll and excise tax deposits normally due on or after October 4 and before **October 19 if the deposits are made by October 19, 2016**. Details on available relief can be found on the IRS [disaster relief](#) page.

Note: The IRS automatically provides filing and penalty relief to any taxpayer with an IRS address of record located in the disaster area. Thus, taxpayers need not contact the IRS to get this relief. However, if an affected taxpayer receives a late filing or late payment penalty notice from the IRS that has an original or extended filing, payment, or deposit due date falling within the postponement period, the taxpayer should call the number on the notice to have the penalty abated.

### Areas Eligible for Relief

Currently, the following areas are eligible for relief:

- **North Carolina:** Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Edgecombe, Gates, Greene, Harnett, Hoke, Hyde, Johnston, Jones, Lenoir, Martin, Nash, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Washington, Wayne, and Wilson counties.

- **South Carolina:** Beaufort, Berkeley, Charleston, Colleton, Darlington, Dillon, Dorchester, Florence, Georgetown, Horry, Jasper, Marion, Orangeburg, and Williamsburg counties.
- **Georgia:** Bryan, Camden, Chatham, Glynn, Liberty, and McIntosh counties.
- **Florida:** Brevard, Duval, Flagler, Indian River, Nassau, St. Johns, St. Lucie, and Volusia counties.

A complete up-to-date rundown of relief being provided to victims of Hurricane Matthew can be found on the [tax relief in disaster situations](#) page on <http://www.IRS.gov>.

## IRS Releases 2017 Limits for HSA and FSA Contributions



The IRS has released updated limits for 2017 for HSA and FSA contributions. For HSA accounts, the maximum contribution has increased to **\$3,400** for individuals and **\$6,750** for families. Individuals age 55 or older may also make an additional \$1,000 "catch up" contribution. The FSA contribution limit increased to **\$2,600**. Dependent care limits remain at **\$5,000** for married couples filing jointly and **\$2,500** for single individuals.

## Marketplace Open Enrollment for 2017

The 2017 health coverage options on the Health Insurance Marketplace are now available for enrollment. These latest Marketplace health and dental plans offer accessible, affordable, and quality coverage for individuals, families, and small businesses.

This year, more than 70% of consumers can find Individual Marketplace plans with premiums of less than \$75 per month. On average, consumers will have the option to choose from about 30 plans.

Remember, you may also qualify for valuable tax credits. Millions of uninsured Americans qualify for financial assistance, and as many as 2.5 million consumers currently pay full price for off-Marketplace coverage.

Open Enrollment began November 1, 2016. [View 2017 plans.](#)

## New Deadline to File Forms W-2 to the SSA

The [Internal Revenue Service](#) (IRS) is reminding employers of a new January 31 filing deadline for forms W-2.

### New Filing Deadline

The Protecting Americans from Tax Hikes (PATH) Act, enacted last December, includes a new requirement for employers. They are now required to file their copies of [Form W-2](#), submitted to the [Social Security Administration](#) (SSA), by **January 31**.

The new January 31 filing deadline also applies to certain Forms 1099-MISC reporting non-employee compensation, such as payments to independent contractors.



In the past, employers typically had until the end of February, if filing on paper, or the end of March, if filing electronically, to submit their copies of these forms. According to the SSA, January 31<sup>st</sup> is the new filing deadline for **both** electronic and paper Forms W-2. The SSA's [Business Services Online](#) is expected to open the tax year 2016 W-2/W-2c filing season on December 12, 2016.

**Note:** The January 31 deadline for employers furnishing copies of Forms W-2 and Forms 1099-MISC to their employees **remains unchanged**.

### Changes in Requesting an Extension

In addition, there are changes in requesting an extension to file the Form W-2. **Only one 30-day extension to file Form W-2 is available and this extension is not automatic.**

If an extension is necessary, an IRS [Form 8809, Application for Extension of Time to File Information Returns](#) must be completed as soon as the employer knows an extension is necessary, but by January 31. Employers should carefully review the Form 8809 instructions for more information.

[Click here](#) for more reminders and changes for tax year 2016 reporting.

## Key Deadlines for 2015 & 2016 Benefit Years

Employers sponsoring [certain self-insured group health plans](#) ("contributing entities") that are subject to the Affordable Care Act's transitional reinsurance program **must submit their [2016 Annual Enrollment Contributions Submission Form](#) and schedule payment for the 2016 benefit year no later than November 15, 2016.**

### Reinsurance Contribution Process

To successfully complete the reinsurance contribution process, contributing entities (or third-party administrators or administrative services-only contractors on their behalf) must register on [Pay.gov](#) (or confirm a password if such entities registered for the previous benefit years of the program) and submit their annual enrollment counts of the number of covered lives of reinsurance contribution enrollees for the 2016 benefit year using the [2016 form](#).

Note: For 2015 and 2016, self-insured plans that do not use a third-party administrator to perform their claims processing, claims adjudication, and enrollment functions do not have to pay reinsurance contribution fees.

### Upcoming Deadline for 2015 Contributions

As a reminder, the second contribution for the 2015 benefit year (of \$11.00 per covered life) is **also due no later than November 15, 2016**, for contributing entities that opted not to pay the entire 2015 benefit year contribution in one payment.

