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Compliance Corner

August 24, 2016

Health Care Reform

IRS Releases Draft Instructions for Forms 1094-B and 1095-B

On Aug. 10, 2016, the IRS released draft instructions for Forms 1094-B and 1095-B. The draft forms were released in June and discussed in the July 12, 2016, edition of *Compliance Corner*.

As a reminder, Forms 1094-B and 1095-B are used by small self-insured employers with fewer than 50 full-time equivalent employees who are not subject to the employer mandate. The forms are used to report participants who have minimum essential coverage (MEC), as required by Section 6055 of the IRC. The forms may also be used by a self-insured large employer to report coverage for non-employees such as ex-spouse COBRA participants and retirees. For plans that are fully insured, the insurer is responsible for Section 6055 reporting, which means that covered employees and their spouses/dependents receive a Form 1095-B from the insurer.

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Announcements

Benefits Compliance Portal 2.0 Coming Soon; Training This Week

The Benefits Compliance Portal is an online, customizable compliance checklist that allows advisors (and their clients) to develop and track compliance items. It contains major federal compliance requirements that may apply to an employer-sponsored group health plan, including a short description of the requirement, applicable due dates and penalties, and allows space for the advisor/client to add comments and mark the requirements as completed. The portal also allows clients to develop a task list and

IRS Releases Draft Publication 5164, Test Package for 2017 Electronic PPACA Filers

The IRS has released the draft version of Publication 5164, Test Package for Electronic Filers of PPACA Information Returns, Processing Year 2017. The publication describes the testing procedures that must be completed by those filing electronic PPACA returns with the IRS, including Forms 1094-B, 1095-B, 1094-C and 1095-C. As a reminder, those who are filing 250 or more forms are required to file electronically.
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CMS Issues Guidance on Health Coverage Tax Credit Hardship Exemption

On Aug. 12, 2016, CMS issued guidance related to the health coverage tax credit (HCTC), which is a premium assistance program in the form of a tax credit available through Dec. 31, 2019. The notice provides information about a hardship exemption that may be claimed through the tax filing process for individuals who qualify for the HCTC, but who are not enrolled in HCTC-qualifying health insurance coverage. This hardship exemption applies only for certain months in 2016.
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Federal Updates

IRS and U.S. Treasury Release 2016-2017 Priority Guidance Plan

On Aug. 15, 2016, the U.S. Treasury Department (Treasury) and IRS released its initial 2016-2017 Priority Guidance Plan. As background, the IRS uses the plan each year to identify and prioritize the tax issues that should be addressed through regulations,

compliance calendar with due dates and reminder dates.
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August Training Opportunities, Register Now

NFP Benefits Compliance has one webinar remaining in its August series: “On the Fringe: A Look at the Compliance Aspects of Certain Fringe and Ancillary Benefits” on Aug. 24, 2016 at 3:00 p.m. ET. The recordings for the two previous sessions are available on the NFP Client Learning Portal: “You Might Mean Well, But is Your Wellness Program in Compliance” and “Don’t Let the Snake Bite You: A Review of COBRA Rules, Including Recent Clarifications.”
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DOL to Host Benefits Compliance Webcasts

The DOL announced two upcoming educational opportunities for employers on various benefits compliance topics. The details are below along with links to registration.

- Aug. 24, 2016, 12:00 p.m. to 2:00 p.m. ET, Form 5500 21st Century Modernization &

revenue rulings, revenue procedures, notices and other published administrative guidance. The plan lists the 281 regulatory projects that the agency "intends to work on actively" during the 12-month period from July 2016 through June 2017. While the IRS is not bound by its plan, it does provide insight regarding the administration's goals and the amount of activity expected. The guidance plan does not place any deadline on completion of projects and is typically updated throughout the year.

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IRS Updates Voluntary Correction Program Form

The IRS updated its Form 14568 series in relation to its Voluntary Correction Program (VCP). Under the VCP, retirement plans that aren’t currently being audited by the IRS may apply to correct errors in the plan document or its operations, reducing their penalty exposure. The IRS and the plan sponsor agree upon a plan of correction that must take place within an agreed upon timeframe, which is generally 150 days. The IRS clarified that if the plan sponsor cannot make the corrections within that timeframe, they must request an extension.

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Improvement Initiative Webcast »

- Sept. 14, 2016, 2:00 p.m. to 3:00 p.m. ET, The Affordable Care Act and Mental Health Parity and Addiction Equity Act Webcast »

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It’s MLR Rebate Time Again

A requirement under PPACA is that insurers must submit an annual report to HHS accounting for plan costs. If the insurer does not meet the medical loss ratio standards, they must provide rebates to policyholders. Rebates must be distributed to employer plan sponsors between Aug. 1, 2016, and Sept. 30, 2016. Employers are reminded that if they receive a rebate, there are strict guidelines as to how the rebate may be used or distributed. Please contact your advisor for a copy of “Medical Loss Ratio Rebates: A Guide for Employers” or “Medical Loss Ratio: PPACA’s Rules on Rebates.”

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State Updates

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FAQ

Now that the Form 5500 filing requirement deadline for calendar year plans has passed, what should employers consider with respect to the summary annual report? To whom and how must it be distributed, what should it contain and what are the deadlines?

Read the Answer »

Reference

Commonly Used Acronyms

Glossary »

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