

## PPACA Filings and New Taxes: All Size Employers are Involved ©

2012-2013	Who is Responsible?
+.9% Medicare Tax on \$250,000+ Earners and 3.8% Tax on Unearned Income	US Taxpayers to IRS (Tax Professional)
2.3% Tax on Medical Devices	MD or Hospital to IRS
ALL: HHS Quality Data Report (No Guidance)	Employer to HHS (HR)
<b>ALL:</b> HHS P.C.O.R.I. Fee of \$1.00/covered member/year (Health & HRA) 2012 PCORI Fee Paid <u>7/31/2013</u> - \$ (Health) + \$ (HRA or FSA Count) = \$ Total <i>(Comparative Effectiveness Research Fee for the Patient Centered Outcomes Research Institute)</i> <b>Fully Insured: PCORI Fee included in premium and submitted by Insurance Company.</b>	Employer to IRS-Form 720 for Self Funded Only (Tax Professional)
2014	Who is Responsible?
50+ FTE "Play or Pay" Penalties of \$2,000 or \$3,000/eligible/an. paid 2014. Penalties based on selected ISMP period in 2013 and same in subsequent years. <b>***Employer Mandate Penalties postponed until 1/1/2015**</b>	Employer to Exchange? (Tax Professional) See 2015 and 2016 Calc.
<b>FULLY INSURED:</b> HHS Health Insurance Premium Tax of 2% per Year (3% in 2015) for insured plans, on top of 3% state premium tax.	Insurance Company to HHS (HR)
<b>ALL:</b> HHS PCORI Fee of \$2.00/covered member/year paid on <u>7/31/14</u> for 2013, and <u>7/31/15</u> for 2014. ( <u>    </u> x \$2 = \$ <u>    </u> ) <b>(Total for Health + HRA Count)</b> <b>Fully Insured Groups: PCORI Fee Included in Premium</b>	Employer to IRS-Form 720 for Self Funded Only (Tax Professional)
<b>ALL:</b> Excise Tax on Premium (Advanced Premium Tax Credit-APTC) to support the Exchange Subsidy and Cost Share Reduction of 2.46% of Premium. 2013 cost paid 1/31/14 and 2014 cost paid 1/31/15. $2.46\% \times \$\text{    } = \text{Annual Cost} = \$\text{    }/\text{an. Excise Tax}$	Insurance Company to Exchange or ASO Group to Exchange? (Tax Professional)
<b>ALL:</b> Exchange Reinsurance Fee (ERF) of \$5.25/member/month – 2014 ERF paid 12/31/2015 (2014-2016 from Plan Assets, Tax Deductible) Calculate 2014 Report to HHS by <u>11/15/15</u> , then HHS bills Employer $\text{    } \text{ Members} \times \$5.25 \times 12 = \$\text{    }/\text{an.} (\$3.66 \text{ Fee for 2015 Paid in 2016}) \text{ Last Benefit Year} - 2016 \text{ Due } 12/31/17$	Employer to HHS (Tax Professional)
<b>FULLY INSURED:</b> Risk Adjustment Fee (RAF) for Individual Adverse Selection-Premium Load	Employer to Insurance Company to Insurers in the Negative Participating in the Exchange (HR)
2015 (2015 Data Reported in 2016)	Who is Responsible?
<b>50+ FTE's:</b> On March 31 <sup>st</sup> of years following 2015, IRS "MEC, Coverage Options, and Play or Pay Data" Report Notice – IRC 6055 and IRC 6056 (100+ Employees: 5500's still needed) - <u>3/31/2016</u> First Report Due to IRS (IRC 6055: Use 1094, and IRC 6056: Use 1095) <u>1/1/16</u> First Report to Employee	Employer to IRS (Tax Professional)
2018	Who is Responsible?
High Cost Insurance Tax – 40% Cadillac Excise Tax on Excess "Aggregate Value" over \$10,200/an. Single and \$27,500/an. Family	TPA or Insurance Company to IRS (Tax Professional)

Note:

- 1) Aggregate Value on 2012 W-2 Value Report in 2013 for over 250+ FTE's
- 2) Under 250 FTE's Report 2013 Aggregate Value in 2014 for all employers.



ARMITAGE  
Division of Stanley McDonald Agency  
2018 State Road - PO Box 1446 - La Crosse WI 54601  
(P) 608-784-5433 / (F) 608-784-1757

Note: Please refer to your legal counsel or tax advisor concerning legal and tax issues that are not insurance carrier contract or insurance practice related. Armitage does not provide legal or tax advice.