COASTAL HR

Quarterly Resource Newsletter

Coastal Human Resource Group, Inc.

4th Quarter 2015

Gearing Up for PPACA Reporting

We're just a few months away from the first-ever Patient Protection and Affordable Care Act (PPACA) reporting period, so it's time for affected employers to be sure that they're prepared and ready to meet the 2016 reporting requirements. Final regulations were just issued in September and Coastal HR has been working diligently to stay on top of all the regulatory developments and working with affected clients to be sure their needs are met.

Who Must Comply

You may have heard that only employers with 100+ full-time equivalent employees had to comply with PPACA in 2015. While it is true that penalties generally apply only to employers in this size range, the reporting requirements extend to all employers with 50+ full-time equivalent employees and employers of all sizes that offer self-funded coverage.

Note that for PPACA purposes, full-time refers to employees who work an average of 30 hours per week, and there are specific (and complex) timeframe and full-time equivalency calculations that must be used to determine if employers are obligated to report. Not sure if you know the reporting requirements apply to you? Contact your Coastal HR representative for help.

PPACA Reporting Overview

The January 2016 reporting obligations apply to employers with 50 or more full-time equivalent employees and smaller employers that provide self-funded health insurance coverage. They must complete applicable versions of Form 1095 and Form 1094, prepared with data for calendar year 2015.

- **1095-C** – Employers with 50 or more employees that provide health insurance (fully-funded or self-funded) must provide this statement detailing offered coverage to each full-time employee. *Due 2/1/2016.*
- **1095-B** – Smaller employers that provide self-funded health insurance plans must provide this statement detailing offered coverage to each full-time employee. *Due 2/1/2016.*
- **1094** – Employers that provide either version of Form 1095 to employees are required to file copies of the documents along with Form 1094 (a transmittal form) to the IRS. There are B and C versions of Form 1094; file the one that corresponds to your required Form 1095. *Due 2/29/2016 for paper filing or 3/31/2016 for electronic filing.*

What Must Be Reported?

Completing the 1095 forms can be complex due to the type of information necessary to fulfill the reporting requirements. A few key items needed (not an all-inclusive list!) that are outside the scope of what many employers have had to track or report in the past include:

- Names of full-time employees for every month of 2015
- Details about offered health coverage by month
- Employer's share of monthly health premium (employee-only for the lowest-cost minimum value coverage)
- Which months each employee was enrolled in health coverage
- Which months the employer met an 'affordability safe harbor' for any employee
- In such situations (affordability safe harbor), if other relief applied for affected employees
- Whether health coverage was offered to at least 70% percent of full-time employees and dependents *(Note: 70% applies only for 2015 – for 2016 it will be 95%)*
- Additional information

The Patient Protection And Affordable Care Act

Why Is This Information Needed?

The IRS will use the reported information for several aspects of PPACA Compliance, with implications for both employers and employees. Data provided will be used to determine:

- If employers with 50 or more full-time employees have met the law's Minimum Essential Coverage (MEC) requirements (which impacts whether or not penalties apply to the employer)
- If individuals who are enrolled in MEC offered through the employer satisfy the individual mandate portion of the law (which impacts whether or not penalties apply to the employee)
- If employees who purchase insurance coverage off the individual health insurance exchange are eligible for subsidies (which impacts whether employees might have received subsidies inappropriately and thus have to repay them)

Use Current Versions Only

If you have copies of 1094 or 1095 forms and instructions printed before September 17, 2015, those should be disregarded because they were draft versions that have now been updated. The final forms were released on this date and are available at irs.gov.

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Payroll Questions? There's an App for That!

Want to make it as easy as possible for your employees to get the information they need about their payroll records? We have an app for that! As a Coastal HR client, your employees have access to EE Connect – a secure mobile app that provides them with access to everything they could possibly need to know about their payroll history.

Easy Access to Payroll Information

Employees can't make changes to their information via the app, but they'll be able to quickly get payroll-related information whenever they need it, without having to ask you for help or search for paper paystubs!

Available for both Android and iOS devices, EE Connect provides each employee with quick and easy access to information such as:

- Check history
- Year-to-date totals
- Direct deposit accounts
- Payroll deductions
- Tax information
- Personal data
- Company news

Getting Started

To use EE Connect, employees will simply need to download the free app from the Google Play store or the Apple store, depending on the type of device they have. Once you provide them with their login information (which includes your company code, the employee's personal username and a password), they'll be able to log in and access all their information via the app.

Not using EE Connect? There's no reason not to! We're excited to provide this value-added service at no cost to clients. Contact your Coastal HR representative if you'd like us to help you get started today.

Attention clients!

We really appreciate your business! We hope you are happy with our services too. Help us spread the word and every referral that turns into a client we will reward you with a $100 VISA gift card.

Contact Us

If you have any questions about the PPACA requirements and how they impact your company, contact your Coastal HR representative today. We're here to help ensure that all of your human resources needs are met, and that includes helping navigate PPACA compliance.

Client Highlight

Custom Automated

Custom Automated, a Fayette, Alabama-based manufacturer of wiring harnesses for large vehicles such as diesel RVs and dump trucks, has been a Coastal HR client for more than a decade. Harry Unger with Custom Automated has great things to say about working the Coastal HR team. He says, "They are very customer-friendly and they always treat us like we are the most important client they have!"

Unger likes the fact that Coastal HR is always just a phone call away. He states, "They're easy to get in touch with, which is very important when dealing with our employees paychecks! If our employees are happy, it helps our company run smoothly. Coastal HR's speedy response is so appreciated."

Employee of the Quarter

Wendy Yaeger is our employee of the quarter, she has been with Coastal for over 13 years and is the Office Manager/Payroll Supervisor.

Wendy is an important part of the management team of Coastal HR. She is responsible for the payroll department, computer hardware and software, time clocks and various other items.

What A PEO Can Do for You

Working with a Professional Employer Organization (PEO) like Coastal HR helps companies save time, money and stress! Costal HR is a full-service PEO, handling critical and time-consuming HR functions that require specialized expertise, such as managing payroll, designing and administering employee benefits, tax filings and workplace legislation compliance. You can rely on our expert HR professionals to handle these tasks, allowing you to focus on running your business!