



BULLETIN



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2016

New Calendar Year – New Benefits, New Limits

With the start of 2016, the benefits and limits for health plans start over or have been adjusted. Funding Advantage-covered members will have a reset deductible and coinsurance out-of-pocket amounts.

New HSA limits

A health savings account (HSA) is a tax-favored account that eligible individuals can contribute to in order to pay for qualified medical expenses. New limits for 2016 are:

- The maximum contribution limit into an HSA for those with self-only HDHP coverage is \$3,350 annually; for those with family HDHP coverage, it's \$6,750.
- However, individuals who are 55 or older by the end of the tax year are permitted to make "catch up" contributions of an additional \$1,000 annually.

MOOPs are calendar-year based

The maximum amount an individual or family will have to pay for health costs is called the maximum out-of-pocket limit

(MOOP). Once this amount is reached, a health plan will pay 100% for covered essential health benefits.

MOOPs are calendar year-based and start over at \$0 each year. The maximum out-of-pocket limit for 2016 is \$6,850 for an individual and \$13,700 for a family.



A MOOP includes the yearly deductible and may also include any cost sharing you have after the deductible. It doesn't include premiums, balance billing amounts for non-network providers and other out-of-network cost-sharing, or spending for non-essential health benefits.

An Option for Those Who Miss the Open Enrollment Deadline

There's a way you can assist individuals who miss the Affordable Care Act's Jan. 31 open enrollment deadline or who can't afford the high costs often charged for individual coverage.

Introduce those individuals to Allied National's Short Term Medical PLUS (STMP). STMP is extremely affordable and offers no provider restrictions, plus flexible plan designs and coverage periods.

You can get an Allied affiliate webpage and start making easy sales online.* Just call Allied Sales Support at 888-767-7133 and we will set up your page and give you the link to get started. Once your client enrolls online, their STMP plan can take effect as early as the next day.

To see a sample of an STMP affiliate web page, visit: <https://tempmedsales.alliednational.com/?affiliate=4>

Remember – the Jan. 31 deadline is the final deadline for 2016 and open enrollment on *Healthcare.gov* will not be open again until Oct. 15 for 2017 coverage.

Please remind your clients that having short-term medical coverage won't relieve them of the penalties they'll have to pay for not having coverage. The penalty in 2016 is 2.5 percent of a person's income or \$695 per adult (whichever is more) and the penalty for each child in the family without coverage will be up to \$347.50.

*STMP is available in AR, CO, DE, DC, FL, GA, IL, IN, IA, MI, MO, NC, NE, NM, NV, OH, OK, OR, PA, RI, TN, TX, VA, WV, WI, WY. 12-month coverage option not available in CO, IN, NV, OH and WY.

**There will be
NO RATE CHANGE
for Allied's Short Term Medical PLUS plan
in 2016.**

How Well do You Understand Employer Shared Responsibility?

Employers are confused about the Affordable Care Act's (ACA) Employer Shared Responsibility (ESR) mandate and they look to you, their agent, for guidance. Allied National has the resources to help you answer their questions.

ESR (also called Pay or Play) requires large employers (those with 50 or more full-time equivalent employees) to provide health benefit coverage that is affordable and meets minimum value standards. Common questions we receive are whether an employer is an Applicable Large Employer, whether a variable hour employee is considered full-time and the reporting requirements for large employers.

We offer many resources on our website to help make the provisions and reporting easier. You have access to workbooks, instructional videos and guides, calculator spreadsheets and flyers. Visit these pages below:

- www.alliednational.com/hcrreporting.html - Resources for employer reporting of health coverage.
- www.alliednational.com/esr.html - List of Employer Shared Responsibility and government resources.
- www.alliednational.com/hcrporp.html - Pay or Play tools and resources for employers.

An Overview of ACA Reporting Deadlines That Have Been Delayed

On Dec. 28, 2015, the Internal Revenue Service (IRS) issued Notice 2016-4 to delay the due dates for filing and furnishing forms under Section 6055 and 6056.

- The due date for furnishing forms to individuals has been extended from Feb. 1, 2016, to March 31, 2016.
- The due date for filing forms with the IRS has been extended from Feb. 29, 2016, to May 31, 2016 (or, from March 31, 2016, to June 30, 2016, if filing electronically).

Action Steps

The IRS is encouraging employers and other coverage providers to furnish statements and file information returns as soon as they are ready. The new deadlines are more generous than prior extensions and apply automatically to all reporting entities. No request or additional documentation is required. Entities that had previously requested extensions will not be receiving formal approval of those requests.

Section 6055 and 6056 Reporting

Section 6055 and Section 6056 were added to the Internal Revenue Code (Code) by the Affordable Care Act (ACA). Section 6055 applies to providers of minimum essential coverage, such as health insurance issuers and employers with self-insured health plans. These entities will generally use Forms 1094-B and 1095-B to report information about coverage they provided during the previous year. Section 6056 applies to applicable large employers (ALEs)—generally, those employers with 50 or more full-time employees, including full-time equivalents, in the previous year. ALEs will use Forms 1094-C and 1095-C to report information relating to the health coverage that they offer (or do not offer) to their full-time employees.

Notice 2016-4 Transition Relief

The IRS is prepared to accept filings of the required forms beginning in January 2016. However, the IRS has determined that some employers, insurers and other providers of

minimum essential coverage need additional time to adapt and to implement systems and procedures to gather, analyze and report this information.

Therefore, Notice 2016-4 extends the due dates for Section 6055 and 6056 reporting. Specifically, the notice extends the due dates for:

- Furnishing the 2015 Forms 1095-B and 1095-C to individuals, from Feb. 1, 2016, to March 31, 2016; and
- Filing the 2015 Forms 1094-B, 1095-B, 1094-C and 1095-C with the IRS, from Feb. 29, 2016, to May 31, 2016, if not filing electronically, and from March 31, 2016, to June 30, 2016, if filing electronically.

Despite the delay, employers and other coverage providers are encouraged to furnish statements and file information returns as soon as they are ready.

Extended Due Dates are Automatic

Filers are not required to submit any request or other documentation to the IRS to take advantage of the extended due dates provided by Notice 2016-4. Because these extensions apply automatically to all filers and are more generous than extensions for 2015 returns and statements that have already been requested by some filers, those requests will not be formally granted. The previous provisions regarding extensions of time for filing information returns and furnishing statements will not apply to the extended due dates.

These extensions for the Sections 6055 and 6056 information reporting provisions for calendar year 2015 have no effect on the information reporting provisions for other years or on the effective date or application of other ACA provisions.

NOTE: The delay applies to providers of minimum essential coverage and applicable large employers. For information about deadlines and to see the rest of the Zywave, Inc. article, visit <https://t.co/JC9ZnCleAY>.