

LEGISLATIVE BRIEF

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Annual Compliance Deadlines for Health Plans

Employers that provide group health plan coverage to their employees are subject to numerous compliance requirements throughout the year, such as requirements for reporting, participant disclosure and certain fee payments.

This Legislative Brief contains a high-level overview of the various compliance requirements and associated deadlines that health plan sponsors should be aware of throughout the year. Please note that certain deadlines for non-calendar year plans may vary from what is outlined below.

Important: This chart only addresses recurring calendar year compliance deadlines. The chart does not include other requirements that are not based on the calendar year. For example, a plan administrator must provide a COBRA Election Notice to qualified beneficiaries when a plan participant experiences a qualifying event that results in the loss of health coverage. This type of notice requirement is not addressed in the chart below. Also, state laws may impose additional obligations. Users of this chart should refer to the specific federal law at issue for complete information.

HEALTH PLAN DEADLINES

JANUARY

| DEADLINE | REQUIREMENT | DESCRIPTION |
|----------|-----------------|--|
| Jan. 15 | Reinsurance Fee | <p>First deadline for remitting reinsurance fee contributions for the prior plan year. Issuers and plan sponsors may choose to pay the entire payment in one or two installments.</p> <ul style="list-style-type: none">• For insured health plans—The issuer of the health insurance policy is required to pay reinsurance fees.• For self-insured plans—The plan sponsor is liable for paying reinsurance fees (although the plan may direct the TPA or ASO contractor to make the payment). <p>For 2015 and 2016, self-insured health plans that do not use a third-party administrator (TPA) in connection with the core administrative functions of claims processing or adjudication or the plan enrollment are not required to pay reinsurance fees.</p> <p>Fees are based on a national contribution rate that is adjusted each year. For the 2015 plan year, the contribution rate is \$44 per enrollee per year (\$27 for the 2016 plan year). To pay the entire fee at one time, the fee is \$44 multiplied by the number of covered lives during the plan year, due by Jan. 15, 2016.</p> |

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| | | Contributing entities making two payments for 2016 will remit amounts allocated towards reinsurance payments and administrative expenses (\$33 multiplied by each covered life) for the first installment, due by Jan. 15, 2016. For the second installment, contributing entities will remit amounts allocated towards payments to the U.S. Treasury (\$11 multiplied by each covered life), due by Nov. 15, 2016. Payments are made through www.Pay.gov . |
| Jan. 31 | Form W-2 | <p>Deadline for providing Forms W-2 to employees. The Affordable Care Act (ACA) requires employers to report the aggregate cost of employer-sponsored group health plan coverage on their employees' Forms W-2. The purpose is to provide employees with information on how much their health coverage costs. Certain types of coverage are not required to be reported on Form W-2.</p> <p>This Form W-2 reporting requirement is currently optional for small employers (those who file fewer than 250 Forms W-2). Employers that file 250 or more Forms W-2 are required to comply with the ACA's reporting requirement.</p> |
| Jan. 31 | Form 1095-C or Form 1095-B— Annual Statement to Individuals | <p>Applicable large employers (ALEs) subject to the ACA's employer shared responsibility rules must furnish Form 1095-C (employee statements) annually to their full-time employees. Also, sponsors of self-insured health plans must furnish Form 1095-B (individual statements) annually to any individual covered under the self-insured plan.</p> <p>The Forms 1095-B and 1095-C are due on or before Jan. 31 of the year immediately following the calendar year to which the statements relate. The first deadline for providing these statements is Feb. 1, 2016 (Jan. 31, 2016, being a Sunday). Extensions may be available in certain limited circumstances. However, an alternate deadline generally is not available for ALEs that sponsor non-calendar year plans.</p> |

FEBRUARY

| DEADLINE | REQUIREMENT | DESCRIPTION |
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| Feb. 28 (March 31, if filing electronically) | Section 6055 and 6056 Reporting | <p>Under Section 6056, ALEs subject to the ACA's employer shared responsibility rules are required to report information to the IRS about the health coverage they offer (or do not offer) to their full-time employees. ALEs must file Form 1094-C and Form 1095-C with the IRS annually.</p> <p>Under Section 6055, self-insured plan sponsors are required to report information about the health coverage they provided during the year. Self-insured plan sponsors must generally file Form 1094-B and Form 1095-B with the IRS annually.</p> <p>ALEs that sponsor self-insured plans are required to report information to the IRS under Section 6055 about health coverage provided, as well as information under Section 6056 about offers of health coverage. ALEs that sponsor self-insured plans will generally use a combined reporting method on Form 1094-C and Form 1095-C to report information under both Sections</p> |

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| | | <p>6055 and 6056.</p> <p>All forms must be filed with the IRS annually, no later than Feb. 28 (March 31, if filed electronically) of the year following the calendar year to which the return relates. Reporting entities that are filing 250 or more returns must file electronically. There is no alternate filing date for employers with non-calendar year plans.</p> <p>The first returns are required to be filed no later than Feb. 29, 2016 (Feb. 28 being a Sunday), or March 31, 2016, if filed electronically, reporting information on the 2015 calendar year.</p> |
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| MARCH | | |
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| DEADLINE | REQUIREMENT | DESCRIPTION |
| March 1 | Form M-1 (MEWA) | <p>Form M-1 must be filed by multiple employer welfare arrangements (MEWAs) and entities claiming an exception from MEWA status with the Department of Labor (DOL) by March 1 of each year for the previous calendar year (automatic 60-day extension is available upon request).</p> <p>Under the ACA, MEWAs subject to ERISA must also file a Form 5500 Annual Report, regardless of plan size or type of funding. The Form 5500 must include information on compliance with Form M-1 filing requirements.</p> <p>Reporting is required to be filed electronically. Information on Form M-1 reporting is available on the DOL's website.</p> |
| March 1 (calendar year plans) | Medicare Part D Disclosure to CMS | <p>Group health plan sponsors that provide prescription drug coverage to Medicare-eligible individuals must disclose to the Centers for Medicare & Medicaid Services (CMS) whether prescription drug coverage is creditable or not. In general, a plan's prescription drug coverage is considered creditable if its actuarial value equals or exceeds the actuarial value of the Medicare Part D prescription drug coverage. Disclosure is due:</p> <ul style="list-style-type: none"> • Within 60 days after the beginning of each plan year; • Within 30 days after the termination of a plan's prescription drug coverage; and • Within 30 days after any change in the plan's creditable coverage status. <p>Plan sponsors must use the online disclosure form on the CMS Creditable Coverage webpage.</p> |

| JULY | | |
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| DEADLINE | REQUIREMENT | DESCRIPTION |
| July 31 | PCORI Fee | <p>Deadline for filing IRS Form 720 and paying Patient-Centered Outcomes Research Institute (PCORI) fees for the previous year. For insured health plans, the issuer of the health insurance policy is responsible for the PCORI</p> |

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| | | <p>fee payment. For self-insured plans, the PCORI fee is paid by the plan sponsor.</p> <p>For plan years ending on or after Oct. 1, 2014, and before Oct. 1, 2015, the PCORI fee is \$2.08 multiplied by the average number of lives covered under the plan. This generally includes employees and their enrolled spouses and dependents as well as individuals receiving continuation coverage. For plan years ending on or after Oct. 1, 2015, the rate will increase for inflation.</p> |
| <p>July 31 (calendar year plans)</p> | <p>Form 5500</p> | <p>Plan administrators of ERISA employee benefit plans must file Form 5500 by the last day of the seventh month following the end of the plan year, unless an extension has been granted. Form 5500 reports information on a plan's financial condition, investments and operations. Form 5558 is used to apply for an extension of two and one-half months to file Form 5500.</p> <p>Effective for Forms 5500 that are filed for years beginning after 2015, the extension period is lengthened from two and one-half months to three and one-half months (ending on Nov. 15 for calendar year plans).</p> <p>Small health plans (fewer than 100 participants) that are fully insured, unfunded or a combination of insured/unfunded, are generally exempt from the Form 5500 filing requirement.</p> <p>The DOL's website and the latest Form 5500 instructions provide information on who is required to file and detailed information on filing.</p> |

SEPTEMBER

| DEADLINE | REQUIREMENT | DESCRIPTION |
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| <p>Sept. 30</p> | <p>Medical Loss Ratio (MLR) Rebates</p> | <p>Deadline for issuers to pay medical loss ratio (MLR) rebates for the 2014 reporting year and beyond is Sept. 30 (for previous reporting years, the deadline was Aug. 1). The ACA requires health insurance issuers to spend at least 80 to 85 percent of their premiums on health care claims and health care quality improvement activities. Issuers that do not meet the applicable MLR percentage must pay rebates to consumers.</p> <p>Also, if the rebate is a "plan asset" under ERISA, the rebate should, as a general rule, be used within three months of when it is received by the plan sponsor. Thus, employers who decide to distribute the rebate to participants should make the distributions within this three-month time limit.</p> |
| <p>Sept. 30 (calendar year plans)</p> | <p>Summary Annual Report</p> | <p>Plan administrators must automatically provide participants with the summary annual report (SAR) within nine months after the end of the plan year, or two months after the due date for filing Form 5500 (with approved extension).</p> <p>Plans that are exempt from the annual 5500 filing requirement are not required to provide an SAR. Large, completely unfunded health plans are also generally exempt from the SAR requirement.</p> |

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OCTOBER

| DEADLINE | REQUIREMENT | DESCRIPTION |
|----------|---|--|
| Oct. 14 | Medicare Part D—Creditable Coverage Notices | <p>Group health plan sponsors that provide prescription drug coverage to Medicare-eligible individuals must disclose whether the prescription drug coverage is creditable or not. Medicare Part D creditable coverage disclosure notices must be provided to participants before the start of the annual coordinated election period, which runs from Oct. 15-Dec. 7 of each year. Coverage is creditable if the actuarial value of the coverage equals or exceeds the actuarial value of coverage under Medicare Part D. This disclosure notice helps participants make informed and timely enrollment decisions.</p> <p>Disclosure notices must be provided to all Part D eligible individuals who are covered under, or apply for, the plan's prescription drug coverage, regardless of whether the prescription drug coverage is primary or secondary to Medicare Part D.</p> <p>Model disclosure notices are available on CMS' website.</p> |

NOVEMBER

| DEADLINE | REQUIREMENT | DESCRIPTION |
|----------|-----------------|--|
| Nov. 15 | Reinsurance Fee | <p>During the benefit year, contributing entities must submit their reinsurance fee contribution form with their annual enrollment count to the Department of Health and Human Services (HHS) by Nov. 15. In 2015, this would include information for the 2015 plan year. HHS provides an Annual Enrollment and Contributions Submission Form Manual to assist with compliance.</p> <p>After the benefit year, contributing entities making two reinsurance fee payments must remit the second contribution payment by Nov. 15. The second installment fee includes amounts allocated towards payments to the U.S. Treasury.</p> |

MORE INFORMATION

In addition to the compliance requirements described above, it's important for plan sponsors to monitor ongoing developments of ACA implementation. For example, certain taxes and fees, as outlined above, will be adjusted on an annual basis. Contact JRG Advisors, LLC for more information on any of the requirements described above.

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