**Client Name:**

**No. of Employees:**

*Note: This list is for use by employers with* ***fewer than 50 employees****.*

**Plan Year:**

|  |  |  |  |
| --- | --- | --- | --- |
| **BENEFITS REQUIREMENTS** | | | |
| ***Completed*** | ***To Be Completed*** | ***Employer Action Items*** | ***Deadlines/Tips*** |
| □ | □ | **Employer Payment Plans Prohibited.** Ensure that an **employer payment plan** **is not in place** (an arrangement under which an employer reimburses an employee for some or all of the premium expenses incurred for an individual health insurance policy, or uses its funds to directly pay the premium for an individual policy). | Effective as of 2014. [Transition relief](http://www.irs.gov/pub/irs-drop/n-15-17.pdf) is available for small employers through June 30, 2015.  Employers can generally increase an employee's compensation without violating the law, **so long as** the payment of additional compensation is not conditioned on the purchase of health coverage and the employer does not otherwise endorse a particular policy, form, or issuer. |
| □ | □ | **90-Day Waiting Period Limit.** Ensure that any [waiting period](http://www.dol.gov/ebsa/healthreform/regulations/90day.html)—the time that must pass before coverage can become effective for an employee or dependent that is otherwise eligible to enroll in the plan—**does not exceed 90 days**. (Other conditions for eligibility that are not based solely on the lapse of a time period are generally permissible.) | Effective as of 2014. If the plan requires completion of a reasonable and bona fide employment-based orientation period as a condition for eligibility, ensure the orientation period **does not exceed one month** and the maximum 90-day waiting period begins on the first day after the orientation period. |
| □ | □ | **Annual Dollar Limits Prohibited.** Confirm that no annual dollar limits apply to coverage of "[essential health benefits](https://www.healthcare.gov/glossary/essential-health-benefits)." | Effective as of 2014. If the plan limits the number of visits to health providers or days of treatment, verify that the visit or day limit does not amount to a dollar limit. |
| □ | □ | **No Preexisting Condition Exclusions.** Verify that preexisting condition exclusions for all individuals—regardless of age—have been eliminated. | Effective as of 2014 (the provision became effective in 2010 for children under 19 years of age).  The requirement to issue certificates of creditable coverage, which could be used to reduce the preexisting condition exclusion period applied to an individual, was eliminated as of December 31, 2014. |
| **BENEFITS REQUIREMENTS (CONT'D)** | | | |
| ***Completed*** | ***To Be Completed*** | ***Employer Action Items*** | ***Deadlines/Tips*** |
| ***Non-Grandfathered Plans Only*** | | | |
| □ | □ | **Coverage of Preventive Services.** Continue to monitor guidelines for [preventive services](https://www.healthcare.gov/what-are-my-preventive-care-benefits/), which are regularly updated to reflect new scientific and medical advances. | As new services are approved, plans will be required to cover them with no cost-sharing for plan years beginning one year later. |
| □ | □ | **Coverage of Essential Health Benefits.** Confirm the plan covers "[essential health benefits](https://www.healthcare.gov/glossary/essential-health-benefits)," a comprehensive package of items and services. | Certain small businesses may be allowed to [renew existing group coverage](http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/transition-to-compliant-policies-03-06-2015.pdf) that does not comply with this requirement, through policy years beginning on or before October 1, 2016. Not all states and insurers will permit coverage to renew. Businesses that are eligible to continue existing coverage will receive a notice from their insurance companies for each policy year. |
| □ | □ | **Limits on Cost-Sharing.** Ensure that annual[**out-of-pocket costs**](https://www.healthcare.gov/glossary/out-of-pocket-costs/)for coverage of **all** "essential health benefits" provided in-network do not exceed **$6,600 for self-only coverage** or **$13,200 for other than self-only coverage**. | Cost-sharing limits have been in effect since 2014—these specific limits apply for plan years beginning in 2015.  Certain small businesses may be allowed to [renew existing group coverage](http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/transition-to-compliant-policies-03-06-2015.pdf) that does not comply with this requirement, through policy years beginning on or before October 1, 2016. Not all states and insurers will permit coverage to renew. Businesses that are eligible to continue existing coverage will receive a notice from their insurance companies for each policy year. |
| **NOTICES** | | | |
| ***Completed*** | ***To Be Completed*** | ***Employer Action Items*** | ***Deadlines/Tips*** |
| □ | □ | **Distribute Notice of Coverage Options.** Provide a [written notice](http://www.dol.gov/ebsa/healthreform/regulations/coverageoptionsnotice.html) with information about the Health Insurance Marketplace to each new employee. | Must be provided to each new employee at the time of hiring, within 14 days of the employee's start date.  A [model notice](http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf) is available to help employers comply with this requirement. |

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| --- | --- | --- | --- |
| **NOTICES (CONT'D)** | | | |
| ***Completed*** | ***To Be Completed*** | ***Employer Action Items*** | ***Deadlines/Tips*** |
| □ | □ | **Determine Summary of Benefits and Coverage (SBC) Distribution Requirements.** Confirm contractual arrangements with the carrier to **prepare and provide the SBC**. If the carrier did not assume responsibility, the employer should provide this notice (without charge) to employees and beneficiaries. | Must be provided at specified times during the enrollment process and upon a participant or beneficiary's request, generally as follows:   * **Prior to initial enrollment** in the plan; * Upon **renewal** of plan coverage; * **Within 90 days** of special enrollment; and * **Within 7 business days** following receipt of a request   [Proposed rules](http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/SBC-Proposed-Rule-Fact-Sheet-122214.pdf) have been issued to **revise** the templates and would place **additional obligations** on plans that contract with issuers to provide the SBC. The rules are generally [expected to be finalized and applied](http://www.dol.gov/ebsa/faqs/faq-aca24.html) in connection with coverage beginning **on or after January 1, 2016**. |
| □ | □ | **Update SBCs.** If not already done, **update SBCs** toinclude language indicating whether the plan provides "[minimum essential coverage](https://www.healthcare.gov/glossary/minimum-essential-coverage/)" (the type of coverage an individual needs to satisfy the ACA's individual mandate), and whether the plan meets the ACA's "[minimum value](https://www.healthcare.gov/glossary/minimum-value/)" standard (meaning the plan pays for at least 60% of covered health care expenses). | An [SBC template](http://www.dol.gov/ebsa/correctedsbctemplate2.doc) that includes the additional language is available for use. Until further guidance is issued, a plan that is unable to modify its current SBC template may continue to use the [previously authorized template](http://www.cms.gov/CCIIO/Resources/Files/Downloads/sbc-template.doc), **so long as** the SBC is furnished with a cover letter or similar disclosure stating whether the plan does or does not provide "minimum essential coverage" and "minimum value." |
| □ | □ | **Distribute Notices of Modification (if applicable).** Ensure that enrollees are provided with **written notice of any material modification** that would affect the content of the SBC (and that occurs other than in connection with coverage renewal or reissuance). | No later than **60 days prior** to the effective date of the change. |
| **FINANCIAL PROVISIONS** | | | |
| ***Completed*** | ***To Be Completed*** | ***Employer Action Items*** | ***Deadlines/Tips*** |
| □ | □ | **Additional Medicare Tax.** Withhold [Additional Medicare Tax](http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Questions-and-Answers-for-the-Additional-Medicare-Tax) (0.9%) on wages or compensation paid to an employee in excess of $200,000 in a calendar year. | The tax went into effect in 2013 and applies to certain wages, compensation, and self-employment income received in taxable years beginning after December 31, 2012. |
| **FINANCIAL PROVISIONS (CONT'D)** | | | |
| ***Completed*** | ***To Be Completed*** | ***Employer Action Items*** | ***Deadlines/Tips*** |
| □ | □ | **Medical Loss Ratio Rebates.** Distribute any [medical loss ratio rebates](http://www.dol.gov/ebsa/pdf/tr11-04.pdf) received from insurance companies to eligible plan enrollees as appropriate. | Rebates are due to employer-policyholders by **September 30th** starting in 2015. |
| □ | □ | **Small Business Health Care Tax Credit.** Determine if your company qualifies for the [small business health care tax credit](http://www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-and-the-SHOP-Marketplace). | For tax years 2010–2013, the maximum credit is 35% of premiums paid by eligible small businesses. For up to two years starting in 2014,the maximum credit increases to 50% of premiums paid by eligible small businesses; however, the credit is generally only available if coverage is obtainedthrough a SHOP Exchange (Marketplace). |
| **Plans With Tax-Favored Arrangements (Cafeteria Plans, FSAs, HRAs) ALSO MUST:** | | | |
| ***Completed*** | ***To Be Completed*** | ***Employer Action Items*** | ***Deadlines/Tips*** |
| □ | □ | **Cafeteria Plan Mid-Year Election Changes.** If employees are allowed to make **additional mid-year changes in salary reduction elections** in the event of an employee's enrollment in Health Insurance Marketplace coverage and/or a reduction in an employee's hours of service, **ensure** **appropriate plan amendments were adopted**. | The amendment must be adopted on or before the last day of the plan year in which the elections are allowed, and may be effective retroactively to the first day of that plan year, provided the cafeteria plan operates in accordance with [agency guidance](http://www.irs.gov/pub/irs-drop/n-14-55.pdf) and the employer informs participants of the amendment. |
| □ | □ | **Prohibited Cafeteria Plan Benefits.** Confirm that section 125 plan documents were amended to comply with the **prohibition on providing a qualified health plan** offered through the Individual Health Insurance Marketplace as a benefit under an employer-sponsored cafeteria plan. | Effective as of 2014. This requirement **does not apply** to group coverage offered through the [SHOP Marketplace](https://www.healthcare.gov/small-businesses/provide-shop-coverage/). |
| □ | □ | **PCORI Fees.** Employers sponsoring [certain self-insured health plans](http://www.irs.gov/uac/Application-of-the-Patient-Centered-Outcomes-Research-Trust-Fund-Fee-to-Common-Types-of-Health-Coverage-or-Arrangements) (including HRAs not treated as excepted benefits) are [responsible for fees](http://www.irs.gov/uac/Newsroom/Patient-Centered-Outcomes-Research-Institute-Fee) to fund the Patient-Centered Outcomes Research Institute (PCORI). | [IRS Form 720](http://www.irs.gov/pub/irs-pdf/f720.pdf) must be filed annually to report and pay the fees no later than July 31st of the year following the last day of the plan year to which the fee applies. |
| □ | □ | **Analyze HRAs.** Confirm that an HRA **is not being used to reimburse an employee's individual insurance policy premiums**. | Effective as of 2014. Such an arrangement [may be subject to](http://www.irs.gov/uac/Newsroom/Employer-Health-Care-Arrangements) a $100/day excise tax per applicable employee (which is $36,500 per year, per employee). |
| **Plans With Tax-Favored Arrangements (Cafeteria Plans, FSAs, HRAs) ALSO MUST:** | | | |
| ***Completed*** | ***To Be Completed*** | ***Employer Action Items*** | ***Deadlines/Tips*** |
| □ | □ | **Analyze FSAs.** Confirm that a health FSA **qualifies as excepted benefits** to comply with the preventive services requirements. | Generally effective as of 2014. Health FSAs are considered to provide only [excepted benefits](http://www.dol.gov/ebsa/newsroom/tr13-03.html) if the employer also makes available group health plan coverage that is not limited to excepted benefits and the health FSA is structured so that the maximum benefit payable to any participant cannot exceed two times the participant's salary reduction election for the health FSA for the year (or, if greater, cannot exceed $500 plus the amount of the participant's salary reduction election). |
| □ | □ | **FSAs Through Cafeteria Plans.** Confirm that a health FSA is **offered through a cafeteria plan** (a plan which meets [specific requirements](http://www.law.cornell.edu/uscode/text/26/125) to allow employees to receive certain benefits on a pre-tax basis) in order to comply with the annual dollar limit prohibition. | Generally effective as of September 13, 2013. |
| □ | □ | **FSA Contribution Limits.** Ensure plan documents were amended to reflect that employee **salary reduction contributions to health FSAs are limited** to [$2,500 annually](http://www.irs.gov/pub/irs-drop/n-12-40.pdf) (as adjusted for inflation--for taxable years beginning in 2015, the annual limit [increased](http://www.irs.gov/pub/irs-drop/rp-14-61.pdf) to **$2,550**). | Plan documents must have been amended by **December 31, 2014** to reflect the FSA contribution limit. The amendment could have been expressed as a maximum dollar amount, a maximum percentage of compensation, or by another method of determining the maximum salary reduction contribution. |
| □ | □ | **FSA Carryovers.** Determine whether you will allow employees to **carry over up to $500 of unused health FSA amounts** to use in the following plan year under the [modified "use-or-lose" rule](http://www.irs.gov/pub/irs-drop/n-13-71.pdf), and **adopt appropriate plan amendments**. | The amendment must be adopted on or before the last day of the plan year from which amounts may be carried over and may be effective retroactively to the first day of that plan year, provided the plan operates in accordance with [agency guidance](http://www.irs.gov/pub/irs-drop/n-13-71.pdf) and informs participants of the carryover provision.  A plan incorporating the carryover provision **may not also provide for a grace period** in the plan year to which unused amounts may be carried over. |

Written and created by: HR 360, Inc. | Last updated on May 20, 2015

***Note:*** *The information and materials herein are provided for general information purposes only and are not intended to constitute legal, tax or other advice or opinions on any specific matters and are not intended to replace the advice of a qualified attorney, plan provider or other professional advisor. This information has been taken from sources believed to be reliable, but there is no guarantee as to its accuracy.*

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