

Health Care Reform Update

IRS Issues Proposed Rules Related to Premium Tax Credit Eligibility

IMPORTANT LINKS

- [Affordable Care Act](#) (HHS)
- [COBRA](#) (DOL)
- [Department of Labor](#)
- [Federal Marketplace](#) (HHS)
- [Medicare & Medicaid](#) (CMS)
- [Tax Credits & Deductions](#) (IRS)

FIND A PROVIDER

- [Aetna](#)
- [Amerihealth New Jersey](#)
- [Horizon Blue Cross Blue Shield](#)
- [Independence Blue Cross](#)
- [Oxford Health Plans](#)
- [United Healthcare](#)

FIND A DENTIST

- [Aetna](#)
- [Delta Dental](#)
- [Guardian](#)
- [MetLife](#)
- [United Concordia](#)
- [United Healthcare](#)

Brought to you by:

Brown & Brown Consulting
The Curtis Center
601 Walnut Street, Suite 805
Philadelphia, PA 19106
Phone: 888.880.2212
Fax: 215.561.0395
www.consultbb.com/brokers

The IRS has released proposed rules clarifying certain issues regarding the premium tax credit (PTC) for individuals who are offered employer-sponsored health coverage consisting solely of excepted benefits, who are not offered an annual opportunity to enroll in employer-sponsored coverage, or who provide inaccurate information to a Health Insurance Marketplace in order to become eligible for a PTC.

How PTCs Impact Employers

For 2016, [applicable large employers](#) (ALEs)—generally those with **at least 50 full-time employees**, including full-time equivalent employees (FTEs), in the preceding calendar year—will be liable for a "pay or play" penalty only if:

- The ALE does not offer [minimum essential coverage](#) to at least 95% of its full-time employees (70% for the 2015 plan year) and their dependents, and **at least one full-time employee receives a PTC**; or
- The ALE offers minimum essential coverage to at least 95% of its full-time employees (70% for the 2015 plan year) and their dependents, but **at least one full-time employee receives a PTC** (either because the employer did not offer coverage to that employee or because the coverage the employer offered to that employee was [unaffordable](#) to the employee or did not provide [minimum value](#)).

New Proposed PTC Rules

Key highlights of the proposed rules include:

- Clarification that individuals **enrolled in or offered an employer-sponsored plan consisting solely of excepted benefits** (such as limited scope dental or vision benefits) will not be denied eligibility for a PTC by virtue of that offer or coverage, as health coverage that consists solely of excepted benefits does not constitute minimum essential coverage;
- Clarification that individuals who decline to enroll in affordable, minimum value employer-sponsored coverage for a plan year (and thus are ineligible for a PTC that year), but are **not provided the opportunity to enroll in that coverage** for any succeeding plan year, **will not be denied eligibility** for a PTC for the succeeding plan year(s) for which there is no enrollment opportunity; and
- Clarifications regarding PTC eligibility and repayments of advance credit payments for individuals who, **intentionally or with reckless disregard for the facts**, provide inaccurate information to the Marketplace.

The rules are generally proposed to apply for taxable years **beginning after December 31, 2016** (taxpayers may rely on the rule regarding excepted benefits for all taxable years beginning after December 31, 2013). [Click here](#) to read the proposed rules in their entirety.

Be sure to check out our [Legislation/Compliance](#) section on our website to stay on top of the latest news in Health Care Reform. If you have any questions, please feel free to reach out to your dedicated Brown & Brown broker consultant.



Simplifying your Business