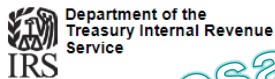


ACA Updates for Businesses

Employer Mandate Still In Effect Forever

- §4980H
- IRS already sent notices to some applicable large employers -----→
- 2018 penalty amounts
 - §4980H(a) \$2,320
 - §4980H(b) \$3,480



The initial proposal

Taxpayer Name
Taxpayer Address
City, ST Zip code

Date: 02/13/2018
Tax year: YYYY
Employer ID number: #####
Person to contact: Contact Name
Employee ID number: #####
Contact telephone number: (###) ###-####
Contact e-fax number: (###) ###-####
Response date: 03/05/2018

https://www.irs.gov/pub/notice/226-j-2018-01-00 Sample.pdf

Dear Taxpayer:

We have made a preliminary calculation of the Employer Shared Responsibility Payment (ESRP) that you owe.

Proposed ESRP \$0.00

Our records show that you filed one or more Forms 1095-C, Employer-Provided Health Insurance Offer and Coverage, and one or more Forms 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, with the IRS. Our records also show that for one or more months of the year at least one of the full-time employees you identified on Form 1095-C was allowed the premium tax credit (PTC) on his or her individual income tax return filed with the IRS. Based on this information, we are proposing that you owe an ESRP for one or more months of the year.

You generally owe an ESRP for a month if either:

- You did not offer minimum essential coverage (MEC) to at least 100% of your full-time employees (and their dependents) and at least one of your full-time employees was certified as being allowed the PTC; or
You offered MEC to at least 100% of your full-time employees (and their dependents), but at least one of your full-time employees was certified as being allowed the PTC (because the coverage was unaffordable or did not provide minimum value, or the full-time employee was not offered coverage).

This letter certifies, under Section 1411 of the Affordable Care Act, that for at least one month in the year, one or more of your full-time employees was enrolled in a qualified health plan for which a PTC was allowed. Based on this certification and information contained in our records, we are proposing that you owe an ESRP of \$0.00.

What you must do

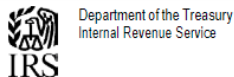
Review this letter carefully. It explains the proposed ESRP and what you should do if you agree or disagree with this proposal. You must tell us whether you agree or disagree with the proposed ESRP by the Response date on the first page of this letter.

The following items are included:

- An explanation of the employer shared responsibility provisions in Internal Revenue Code (IRC) Section 4980H, which are the basis for the ESRP. See About the ESRP;
An ESRP Summary Table itemizing your proposed ESRP by month;

Letter 226-J (Rev. 1-2018)
Catalog Number 67905G

3



The bill

ABC-XYX COMPANY
22 BOULDER STREET
Hanson, CT 00000-7253

Notice CP220J
Tax period December 31, 2015
Notice date February 5, 2018
Employer ID number xx-xxxxxxx
To contact us Phone 1-800-xxx-xxxx
Page 1 of 4

https://www.irs.gov/pub/notice/cp220j.pdf

We charged you an Employer Shared Responsibility Payment (ESRP)

Amount due: \$0.00

We charged you an (ESRP) for the tax period ended December 31, 2015, because in one or more months one of the following occurred:

- You didn't offer Minimum Essential Coverage (MEC) to at least 70% (after 2015 95%) of your full-time employees (and their dependents) and at least one full-time employee received the Premium Tax Credit (PTC).
You offered MEC to at least 70% (after 2015 95%) of your full-time employees (and their dependents), but at least one full-time employee received the PTC.

However, you don't owe us any money, nor are you due a refund.

Billing summary

Table with 2 columns: Description, Amount. Rows: ESRP amount, Payments and credits, Amount due (\$0.00)

Continued on back



Notice CP220J
Notice date February 5, 2018
Employer ID number

Contact information

If your address has changed, please call 1-800- or visit www.irs.gov. Please check here if you've included any correspondence. Write your Employer ID number (), the tax period (December 31, 2015), and "ESRP" on any correspondence.

Form with checkboxes for a.m./p.m. and labels for Primary Phone, Best time to call, Secondary Phone, Best time to call

INTERNAL REVENUE SERVICE
OGDEN, UT 84201-0039

4

Employer Reporting of Health Insurance on Form W-2

- Transitional relief of 2012 continues to apply.
- Employers not required to report health insurance costs (employer + employee shares) on W-2 unless issued 250 or more W-2 forms in prior

e Employee's first name and initial Last name		Suff.		11 Nonqualified plans		12a DD					
				13 Statutory employee Retirement plan Third-party sick pay		12b					
				14 Other		12c					
						12d					
f Employee's address and ZIP code											
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form **W-2** Wage and Tax Statement

2018

Department of the Treasury—Internal Revenue Service