

# **LCTCS HUMAN RESOURCES MEMORANDUM**

## **#2016-04**

**TO:** Human Resources/Payroll Staff of Baton Rouge Community College, Bossier Parish Community College, Central Louisiana Technical Community College, Delgado Community College, L. E. Fletcher Technical Community College, Louisiana Delta Community College, Nunez Community College, River Parishes Community College, South Central Louisiana Technical College, South Louisiana Community College, SOWELA Technical Community College, Northshore Technical Community College, Northwest Louisiana Technical College, and Louisiana Community & Technical College System Operations Office.

**FROM:** Suzette D. Meiske  
LCTCS Director of Human Resources

**DATE:** July 1, 2016

**RE:** Affordable Care Act (ACA) Subsidy Notices

The Affordable Care Act (ACA) requires each health insurance marketplace/exchange to notify employers when their employees have enrolled in marketplace/exchange health coverage and are eligible for a premium tax credit subsidy. Beginning June 1, 2016, this notice will be sent to the employer's mailing address as provided by the employee on their marketplace/exchange coverage application. (NOTE: Louisiana does not have a state run marketplace/exchange, so Louisiana residents use the federally-facilitated health insurance marketplace/exchange at [HealthCare.Gov](http://HealthCare.Gov).)

The subsidy notice will identify the specific employee who enrolled in marketplace/exchange coverage and was deemed eligible to receive the advance premium tax credit subsidy. This determination does not establish whether the employer is liable for an employer shared responsibility penalty (ESR), but it may provide a basis for the Internal Revenue Service (IRS) to assess penalties. For this reason, as well as to help ensure that individuals do not mistakenly receive health insurance subsidies, employers have the right to appeal marketplace/exchange eligibility determinations. An appeal will allow an employer to correct any inaccurate information the marketplace/exchange may have received about the health coverage it offered to an employee who was deemed eligible for a subsidy. Employers have 90 days from the date of the notice to file an appeal.

It is important to review subsidy notices immediately upon receipt and file an appeal when necessary to avoid the potential 4980(H) ESR payment (penalty). Note: There will be cases where an agency will have to pay an ESR payment when an employee eligible for health coverage, according to ACA rules, was not offered coverage.

LCTCS Office of Human Resources will work closely with the colleges to determine when an appeal should be filed and to determine the supporting documentation to include with the appeal. See the attached document with examples of when it is most appropriate to appeal or not appeal a notice. If you receive a subsidy notice, it is imperative that you contact the LCTCS Office of Human Resources immediately.

The Employer Appeal Request form can be found at the following website: <https://www.healthcare.gov/marketplace-appeals/employer-appeals/>. Please review the information on this document. Complete Section 1 as follows:

<u>Business Name</u>	<u>Louisiana Community and Technical College System</u>
<u>Federal Employer ID Number (EIN)</u>	<u>721441777</u>
<u>Primary business mailing address</u>	<u>265 South Foster Drive</u>
<u>City, State, Zip code</u>	<u>Baton Rouge, LA 70806</u>
<u>Name of the primary contact</u>	<u>Suzette D. Meiske</u>
<u>Phone Number</u>	<u>(225) 922-2800</u>
<u>Title of Primary Contact</u>	<u>Director of Human Resources</u>
<u>Primary business mailing address</u>	<u>265 South Foster Drive</u>
<u>City, State, Zip code</u>	<u>Baton Rouge, LA 70806</u>
<u>Phone number</u>	<u>(225) 922-2800</u>

The secondary contact designation (Section 2) should be populated with your college's central location contact information. Please provide an explanation for the appeal in Section 3 and send all supporting documentation (i.e. GB-01, etc.) to LCTCS Office of Human Resources for review and submission. Colleges must forward copies of any and all correspondence regarding an appeal to LCTCS' Office of Human Resources.

Since the employer has no control over the employer address provided by the employee on the marketplace/exchange application, we are uncertain of the delivery location (e.g. employees may use their actual physical work location, not the LCTCS centralized payroll headquarters' address). Please disseminate this information to your campuses/field offices (e.g. timekeepers, managers) so that if they receive a subsidy notification, they will notify the HR office immediately and forward it to the college HR office. **We strongly recommend that colleges identify one (1) central location for collection and processing of these notices.**

Again, receipt of this notice does not indicate an ESR liability. It is anticipated that actual ESR payment notices will come from the IRS beginning in mid-2016 but most likely in early 2017.

Questions should be directed to a member of the LCTCS Office of Human Resources.