

ACA Checklist



for Employers with Health Reimbursement Arrangements (HRAs) and Flexible Spending Accounts (FSAs)

Knowing that the Affordable Care Act (ACA) requires your business to take certain actions—and imposes penalties if you don't—can be a cause for anxiety. While PacificSource Administrators will continue to ensure our plans comply with ACA rules, there are some provisions that need your attention. To help you stay on track, we've put together this convenient checklist.

2010 - 2012	<p>If you're not already, be sure you're in compliance with the following as soon as possible:</p> <ul style="list-style-type: none"><input type="checkbox"/> SBC distribution. Distribution of the Summary of Benefits and Coverage (SBC) for your HRA or employer-funded FSA is a shared responsibility between employers and administrators. We create your SBC and provide it to you upon renewal or benefit change. You can then distribute it to your employees via email or printed copies.<input type="checkbox"/> OTC reimbursement. Make sure that your HRA or FSA accounts no longer reimburse for over the counter medications, unless prescribed.
2013	<ul style="list-style-type: none"><input type="checkbox"/> FSA contribution limit. If you offer a flexible spending account (FSA), limit employee contributions to \$2,500 per employee per year. Be sure you also notify plan members in advance of the change to their benefits.<input type="checkbox"/> Patient-Centered Outcome Research Institute (PCORI) Fee. The work of this institute is partially funded by a fee on health insurers, self-insured group health plans, most HRAs, and some FSAs.* Please consult with your own legal and tax advisors for specific advice regarding the PCORI fee and how it may apply to your business.<ul style="list-style-type: none">• The HRA is not subject to a separate fee if the self-funded medical plan and HRA have the same plan year.• For HRAs and FSAs, the fee is calculated based on the average number of covered employees during the plan year.<ul style="list-style-type: none">• \$1.00 per employee for plan years ending after September 30, 2012 and before October 1, 2013• \$2.00 per employee for plan years ending after September 30, 2013 and before October 1, 2014• The rate will be further adjusted for inflation for plan years beginning on or after October 1, 2014 and before October 1, 2019• For HRA and FSA plans, the employer is responsible for calculating and paying the fees. Form 720 and the fee are both due on July 31 of each year for plan years that ended in the <i>prior</i> calendar year. So the first deadline to file and pay would be July 31, 2014, for plan years ending in 2013.• More information about the PCORI fee is available on the IRS website: http://www.irs.gov/uac/Patient-Centered-Outcomes-Research-Trust-Fund-Fee-Questions-and-Answers <p>*Only FSAs that are employer funded at \$500 or more are subject to the PCORI fee.</p>
2014 and beyond	<ul style="list-style-type: none"><input type="checkbox"/> Health Reimbursement Arrangement Integration. Your HRA must be integrated with a major medical plan. Under recent guidance, "integrated" means that the HRA restricts coverage to employees enrolled in the medical plan.<ul style="list-style-type: none">• Pre-2014 balances can still be accessed if plan allows rolling of funds.

Questions? Please contact us at (800) 624.6052. While every attempt has been made to ensure the accuracy of this information as of the publication date, federal and state rules and interpretations of the ACA continue to evolve, and every employer's circumstances are unique. Please consult with your own legal and tax advisors for advice specific to your business.

