



HIRD/FAIR SHARE REPORTING OVERVIEW **HEALTH CARE REFORM UPDATE FALL/ WINTER 2010**

Companies are required to take action to meet the obligations under the Massachusetts Health Care Reform Law:

MDSIS-Spring Insurance Group recommends that all employers should file the HIRD and Fair Share Reporting!!!
Go to <https://fsc.detma.org> to complete the filing requirements.

1. FILING REQUIREMENTS – Now Quarterly – Previously Annually

For 2010 – Chapter 302 of the Acts of 2008 changed the filing from annually to quarterly starting in 2010. Note, when you file the Fair Share Requirements (FSR), you will also file the HIRD requirements. **All employers are required to submit a quarterly filing by 2/15/2010, covering the base period of 10/1/2009 – 12/31/2009.**

The following is a breakdown of the base periods and filing period deadline:

QUARTER	BASE PERIOD	FILING DEADLINE
1	10/01/2009 – 12/31/2009	02/15/2010
2	01/01/2010 – 03/31/2010	05/15/2010
3	04/01/2010 – 06/30/2010	08/15/2010
4	07/01/2010 – 09/30/2010	11/15/2010

Note, when the employer files a quarterly report in 2010, they must use employment and health insurance data for the applicable base periods outlined above.

Depending on the Quarter 1 filing results, the DUA may not require a separate FSC filing for subsequent quarters of the year especially if you meet the requirements in Quarter 1. If you are liable for payment in Quarter 1 or any subsequent Quarters, you will be required to file each Quarter.

2. FAIR SHARE CONTRIBUTION – Test Changes

Employers with 51 or MORE Full Time Employees (FTE's)

Must meet both the primary test (25% of all FTE's enrolled) **AND** secondary test (33% employer contribution per single employee or more) or pay the penalty. There is a "safe harbor" provision for employers with 51 or more whereby employers with at least 75% of their employees enrolled in the group health plan will not be required to meet the 33% contribution test.

Employers with 50 or LESS Full Time Employees (FTE's)

Must continue to either meet the primary test (25% of all FTE's enrolled) **OR** secondary test (33% employer contribution per single employee or more) or pay the penalty.

NOTE: Insurers require 50% employer contribution for single employees which passes the secondary test for reporting.

The information contained in this notice is general in nature and is not offered as legal advice

HIRD/FAIR SHARE REPORTING INSTRUCTIONS

HEALTH CARE REFORM UPDATE – FALL/WINTER 2010

Do all companies have to file? – MDSIS-Spring Insurance Group that all employers should file the HIRD and Fair Share Reporting To complete the filing process, go to <https://fsc.detma.org>. Read and review the “Filing Instructions”.

When to File – There are now four quarterly filing periods each year changed from the previous annual requirement:

QUARTER	BASE PERIOD	FILING DEADLINE
1	10/01/2009 – 12/31/2009	02/15/2010
2	01/01/2010 – 03/31/2010	05/15/2010
3	04/01/2010 – 06/30/2010	08/15/2010
4	07/01/2010 – 09/30/2010	11/15/2010

Information you should have available to complete the filing

- ✓ Your DUA number
- ✓ The number of full time employees
- ✓ The number enrolled in the company health plan at the end of the applicable quarter
- ✓ Calculate all employees employment hours (those who worked 1 month or more) for the applicable quarter. Round down.
- ✓ The employer contribution percentage of your individual and family health insurance plans.
- ✓ Your insurance premiums – if you offer multiple plans, know all the premium costs.
- ✓ Do you have a qualified IRS Section 125 plan (Premium Offset Plan) in your business.
- ✓ Your renewal (open enrollment) date.

How to File – There are multiple stages in the on-line filing process. The following are a few key points:

- In Step 1 you will need your company’s regular DUA number to begin the process.
- In Step 5 you will need to determine the number of full-time equivalent employees. You need to have the total payroll hours for each employee who was an employee at least 90 days during the applicable base period. Each employee is limited to a maximum of 2000 hours. Take the total hours calculated for your company and round it down to the whole number.
- In Step 6 you are asked to provide the number of full-time employees who were enrolled in your employer sponsored health insurance plan for the applicable quarter. You need to enter that number in Step 6. You will also be asked to provide the total number of full-time employees on your payroll on the last day of the applicable base period.
- In Step 7 you are asked if you offered to pay at least a portion of the cost of a health insurance premium for those employed at least ninety days during the applicable base period - select Yes or No.
- Also in Step 7 you will be asked what the contribution percentage is. That is the percentage that the company pays for the insurance plan offered to the employees.
- In Step 8 you will find out whether you are liable or not for the Fair Share Contribution based on the information you have provided. If you feel that the determination is incorrect, you can exit or go back and check your numbers.
- In Step 13 you are asked if you have adopted or maintained a Section 125 plan – select Yes or No
- In Step 14 you are asked if you contributed to the premium cost of the employees – select Yes or No.
- In Step 15 you must provide the percentage you pay of the employees and family’s insurance coverage.
- In Step 16 provide the total monthly premiums for the lowest and highest cost insurance plan during the applicable base period.
- In Step 17 you are asked to indicate the month in which your group health insurance plan renews.
- You skip to Step 20 and are asked to provide the name of the filer (electronic signature), name of filer and the phone number.

If you are unsure, you can exit at any time during the process and you will be given a re-entry number and a summary of the information you have entered into the system. There is also on-line help provided throughout the filling process. (Contact The Department of Unemployment Assistance at 617-626-6080 or MDSIS-Spring Insurance Group with any questions)

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