

Office of State Uniform Payroll
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

June 20, 2016

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2016-56

TO: LaGov HCM Paid Agency Human Resources
and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: 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 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.)

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.

OSUP will work closely with agencies 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 to appeal or not appeal a notice. [If you receive a subsidy](#)

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notice, it is imperative that you contact the Office of State Uniform Payroll (OSUP) Benefits and Financial Administration (BFA) Unit 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:

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|----------------------------------|--|
| Business Name | State of Louisiana – Office of State Uniform Payroll |
| Federal Employer ID Number (EIN) | 72-1447520 |
| Primary business mailing address | P. O. Box 94095 |
| City, State, Zip code | Baton Rouge, LA 70804-9095 |
| Name of the primary contact | Andrea P. Hubbard |
| Phone Number | (225) 219-9434 |
| Title of Primary Contact | State Uniform Payroll Director |
| Primary business mailing address | P. O. Box 94095 |
| City, State, Zip code | Baton Rouge, LA 70804-9095 |
| Phone number | (225) 342-0713 |

The secondary contact designation (Section 2) should be populated with your agency's central location contact information. Please provide an explanation for the appeal in Section 3 and send all supporting documentation (i.e. GB-01, ZP136 report, etc.) to OSUP for review and submission. Agencies must forward copies of any and all correspondence regarding an appeal to OSUP.

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. employee uses their actual physical work location, not the HR headquarters' address). Please disseminate this information to your 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 HR office. **We strongly recommend agencies 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 early 2017. These will come from the IRS and will be delivered directly to OSUP.

Questions should be directed to a member of the OSUP Benefits and Financial Administration Unit at _DOA-OSUP-BFA@LA.GOV or (225):

| | | | |
|------------------|----------|-------------------|----------|
| Kenya Warren | 342-5357 | Desiree Jefferson | 342-5377 |
| Jodi Bullock | 342-5345 | Brandy Boyd | 342-5354 |
| Jessamy Charette | 342-5344 | | |

APH:LMG/par