VERMONT Department of Labor *Working Together for Vermont*

# Employer Health Care Contributions Reporting Requirements

*Vermont Department of Labor*

*5 Green Mountain Drive*

*P.O. Box 488*

*Montpelier, VT 05601-0488*

www.labor.vermont.gov

**Updated: 12/21/2012**

# Employer Health Care Reporting

- § **Section I – Health Care Reporting**
- § **Section II – Calculating Contributions**
- § **Section III – Additional Information**

# Employer Health Care Reporting

§ **Section I – Health Care Reporting**

- ü Vermont DOL & Health Care Reporting
- ü Contribution vs. Eligibility
- ü Quarterly Reporting Considerations
- ü Employee Classifications
- ü Declaration of Coverage
- ü What is an FTE?

# VDOL & HC Reporting

- § Act 191 - 2006 Legislative Session
  - ü Amended during the 2007 session to include consideration for “seasonal” and “part-time” employees
- § Reporting period began April 1, 2007
- § Contributions due determined on “uncovered” “FTE”

# Contribution vs. Eligibility

Q: If an employer pays health care contributions, does that mean the employees are covered by the Catamount Health Care Plan?

A: **NO**

- There are eligibility requirements. Please see Section V – “Additional Information” for contact information and resources.

# Two Main Considerations for Quarterly Reporting

1. Does the employer include the employee on the UI quarterly report?
2. Does the employer offer to pay a portion of a health care plan?

# 1st Consideration

1 **Is the employee included on the UI quarterly report?**

- **All employees on the quarterly report except**
  - Someone who is <u>not</u> 18 the entire quarter.
- **Based on hours worked:**
  - **Employer can exclude hours:**
    - not worked, such as vacation, sick, or holiday pay.
    - worked out of state, but localized in VT.

# 2nd Consideration

**2 Does the employer offer to pay a portion of a health care plan?**

***HEALTH CARE PLAN:***

- **Employer must pay a portion of a plan.**
- **Coverage must include both hospital and physician services.**
- **"Seasonal" and "Part-time" employees not eligible to enroll in the employer's plan are handled differently.**

# “Seasonal” Employee

- Is an employee who:
  - Works for an employer who offers to pay a portion of a health care plan to ALL of its regular full-time employees.
  - Works 30 or more hours per week, 20 or fewer weeks, in a job **scheduled** to last 20 or less weeks in a **calendar year.**
  - Has health care coverage from a source other than VHAP or Medicaid.
- “Seasonal” employee remains classified as such throughout the calendar year.
- Employee must complete VDOL declaration.

# “Part-time” Employee

- Is an employee who:
  - Works for an employer who offers to pay a portion of a health care plan to ALL of its full-time employees.
  - Works less than an average of 30 hours per week, or fewer than a total of 390 hours in a calendar quarter.
  - Has health care coverage from a source other than VHAP or Medicaid.
- Depending on the total hours worked, employee can be “part-time” one quarter and not the next.
- Employee must complete VDOL declaration.

# "COVERED" Employee

## Hours worked do NOT need to be included in calculation because:

- Employer offers and employee accepts a health care plan.
- Employer offers a health care plan, but employee declines because they have coverage from another source.
- Employee was not 18 on the first day of the reporting quarter.
- Employee had coverage during part of the quarter.

# "COVERED" Employee cont'd

- The employee is "enrolled" in an employer-offered health care plan, but coverage isn't yet in effect; provided non-coverage period is 6 months or less.
- "Seasonal" employee who has worked 20 or fewer weeks in the calendar year or a "part-time" employee who has worked fewer than 390 hours in the reporting quarter, both of which have declared health care coverage (other than VHAP or Medicaid).

**Hours worked by "covered" employees are EXCLUDED from the FTE calculation.**

# **“UNCOVERED”** Employee:

Hours worked for the following employees MUST BE included in FTE calculations because:

- § Employer does NOT offer a health care plan that it pays a portion of, **REGARDLESS** if employees have health care coverage elsewhere.
- § The employee is not “eligible” for the health care plan offered by the employer.
  - Ø Include employee(s) in probationary period, unless they get coverage before the quarter ends.
- § The employee has no health care coverage.

# **“UNCOVERED”** Employee cont’d:

- The “seasonal” employee has worked 21 weeks or more in the calendar year.
- The “part-time” employee has worked 390 hours or more during the reporting quarter.
- NOTE: Both “seasonal” and “part-time” classes:
  - Assumes employee is not eligible to enroll in the plan the employer offers.
  - Employee has NO coverage or coverage through VHAP or Medicaid.

*****Hours worked by “uncovered” employees MUST BE included in the FTE calculations.*****

# Declaration of Coverage

MUST use VDOL Declaration of Coverage Form

- Completed ONLY by employees of an employer that offers to pay a portion of a health care plan.
- Completed by employees who opted out of the employer's plan or by "seasonal" or "part-time" employees.
- The declaration must state whether they have health care coverage and be signed by the employee.
- Declarations must be renewed annually and retained in your files for three years.

# FTE

- § FTE stands for Full Time Equivalent.
- § To calculate the number of FTEs, take the total hours worked by all **UNCOVERED** employees in the reporting quarter and divide by 520.
- § Hours over 520, **PER EMPLOYEE**, in the reporting quarter do not have to be counted.

# Employer Health Care Reporting

§ **Section II – Calculating Contributions**

- ü Calculating Health Care Contribution
- ü Worksheet Form HC-1
- ü Reporting Fields on C-101
- ü Examples
- ü Review

# How do I calculate my Health Care Contribution?

Hours worked by “uncovered” employees

---

520 (Rounded down)

= Unadjusted FTEs

Subtract exemption (see next slide)

= Adjusted & Reportable FTEs

| | |
|---|---|
| 1/1/12 to current | X$119.12 |
| 1/1/11 to 12/31/11 | X $113.03 |
| 1/1/10 to 12/31/11 | X $101.74 |
| 4/1/07 to 12/31/09 | X $ 91.25 |

# How do I calculate my Health Care Contribution?

**Exemptions are…**

**4** 3rd quarter of 2009, and subsequent

**6** 3rd quarter 2008 through 2nd quarter 2009

**8** began 2nd quarter 2007 through 2nd quarter of 2008

# Worksheet Form HC–1

Include any "uncovered" employees, who were 18 or older for the entire quarter, whose wages were reported on the upper portion of the C-101 report.

§ **Section I** - If employer does **NOT OFFER** to pay a portion of a health care plan for ANY employees:

- **Sec I - Line 1:**
  - Enter the total number of hours worked by all employees that were employed during the reporting quarter on this line and proceed to "Calculations" section of form.

# Worksheet Form HC-1

§ **Section II** - If employer **DOES OFFER** to pay a portion of a health care plan for some or all employees:

- **Sec II - Line 1:**
  - Enter the total number of hours worked by all employees, who were offered and are eligible for coverage, but elect not to accept the coverage and have no other health care coverage.

# Worksheet Form HC-1

- **Sec II - Line 2:**
  - Enter the total number of hours worked by all employees who are not eligible for health care coverage. Report on this line the total number of hours worked by all "seasonal" or "part-time" employees who:
    - Do not have health care.
    - Have VHAP or Medicaid.
    - Have worked over the hours/time period allowable to be classified as a "seasonal" or "part-time" employee.

# Worksheet Form HC-1 Calculations

**Line A.** **Enter the grand total of hours worked by all "uncovered employees previously totaled.** ***(If grand total is partial hour, round down to the nearest hour.)***

**Line B.** **Divide Line A by 520 and enter results. This is the unadjusted FTE.** ***(If necessary, round down to the nearest whole number.)***

# Worksheet Form HC-1 Calculations

**Line C.** **Subtract the number of <u>exempted FTEs</u>* from Line B and enter results. This is the Adjusted and reportable FTE count.** ***(*4 is the current number of allowable exempt FTE.)***

- ***Report this total on C-101 Line 16***

**Line D.** **Multiply line C by <u>HCC rate</u> and enter the results. This is the quarterly Health Care Contribution.** ***(*119.12 is the current HCC rate.)***

- ***Report this total on C-101 Line 17***

# Important Reporting Fields on Bottom Portion of C-101

EMPLOYER NUMBER: QUARTER ENDING: DUE DATE:

| Employment Information | 1st month total | 2nd month total | 3rd month total | 3rd month FEMALE only |
|---|---|---|---|---|
| 8. For each month during this quarter, report the number of covered workers who worked or received pay for the payroll period that includes the 12th day of the month. | | | | |

9. Status of business - check all that apply: ☐ No longer have employees in VT ☐ Discontinued business in VT ☐ Ownership or name as shown above has changed

| UI Tax Contributions | | | Department Use Only |
|---|---|---|---|
| 10. Total Gross Wages Paid to all Subject Employees this Qtr. | | | |
| 11. Portion of Quarterly Wages from Line 10 IN EXCESS of Year Limit Per Employee of $ $16,000 | | | |
| 12. Taxable Wages - Subtract Line 11 from Line 10 | | | |
| 13. Contribution Tax Due (Line 12) Times Your Rate of % | | | |
| 14. Credit Adjustment (Subject to Change, see instructions) | | | |
| 15. **TOTAL SUTA Tax Due** - Line 13 Minus Line 14; if amount is negative, enter 0 | | | |

| Health Care Contributions | |
|---|---|
| 16. Number of Uncovered FTE: (Line C from Worksheet) | |
| 17. Total HC Contributions Due: (Line D from Worksheet) | |
| **Total Amounts Due Vermont Department of Labor (VDOL)** | |
| 18. Add Lines 15 and 17 together and enter total: | |
| **Submit payment payable to VDOL for the total amount indicated on Line 18.** | |
| SIGNATURE AND TITLE (Must be owner, principal officer or authorized representative) | |
| Telephone Number | Date |

CERTIFICATION: I certify I have compiled this report with the requirements of 21 VSA Section 687 relating to securing workers' compensation coverage for my employees and the information contained in this report and all attachments are correct to the best of my knowledge.

Department Use Only

- Reporting on upper portion of C-101 has NOT changed.
- If nothing to report - enter "0".
- Must send ONE report with ALL required data.

# Example:
# Employer has 17 employees

## Health Care information:

Employer offers to pay a portion of a plan to all its employees who work year round, averaging 30 hours per week. Health care is NOT offered to seasonal employees, regardless of the number of hours worked each week.

- # (1), (2), & (9) - enrolled in the health care plan to which the employer contributes.
- # (3), (5), (13), & (17) - covered under spouse plan.
- # (12) - VHAP coverage.
- # (15) - offered health care through employer, but declined it and has no other insurance.
- All other employees do not have health care coverage.

# Example:
# Employer has 17 employees

## Hours worked information:

- # (1- 4), (6 - 8), and (16) worked 40 hours per wk;
- # (9 - 11) worked 30 hours per wk.
- # (12) and (14) worked 20 hours per wk.
- # (13) worked an average of 25 hours per wk. totaling 300 hours for the quarter.
- # (15) worked 50 hours per wk.

Seasonal Employees:

- # (5) worked the 18th wk as a "seasonal" employee.
- # (17) worked 40 per wk and the 21st wk as a "seasonal" employee.

#1 and #2 have employer's insurance – covered.

#3 is covered by other insurance

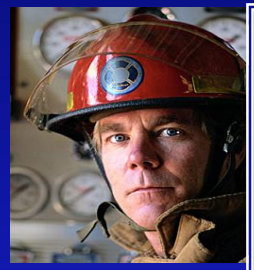
#4

#5 is "seasonal"; covered by other plan

#6

#12 is "part-time", but has VHAP

#7

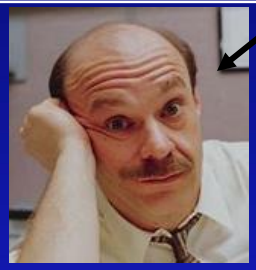


#8

#9 has employer's Insurance-covered.

#10

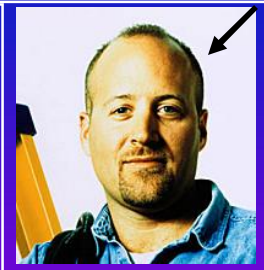
#11



#12

#14 is "part-time", but has no HC coverage

#13 is part-time"; covered by other plan



#14

#15

#16

#17

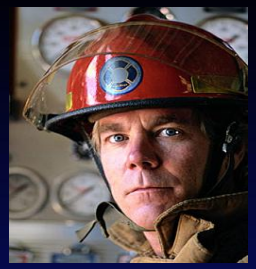
#17 worked 21 wks; NO longer can be exempted as seasonal.

"Covered" employees are removed from FTE calculations.

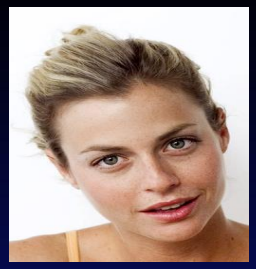
#4

#6

#7


#8

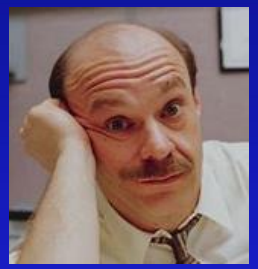
#16


#17

#4, 6, 7, 8, 16, & 17
Worked 40 hours per week;
6 x 40 hours x 13 weeks = 3120 hours

#10

#11


#12

#14

#10 & 11
Worked 30 hrs per wk;
2 x 30 hrs x 13 wks =
780 hours

#12 & 14
Worked 20 hrs per wk;
2 x 20 hrs x 13 wks =
520 hours

#15

# 15
Worked 50 hours per week;
1 x 50 hours x 13 weeks = 650 X

**Report 520**

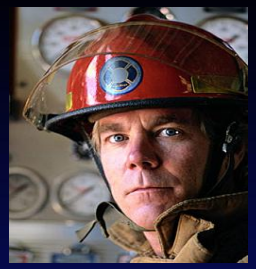
# DON'T FORGET!

<u>520 is maximum</u> per Employee, per Quarter.

#4

#6

#7



#8

#10

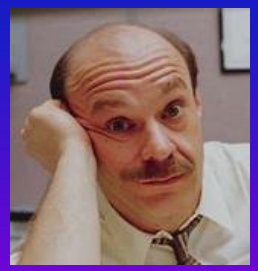
#11

**HC-1 Section II:**

| | | |
|---|---|---|
| 4, 6, 7, 8, 16 | = 2600 | |
| 10 & 11 | = 780 | |
| 15 | = 520 >>>>> | 3900 = 1st line |
| 12, 14, 17 | = 1040 …… | 1040 = 2nd line |

## Line A of HC-1 Form = 4940

(Total hours worked by uncovered employees)



#12

#14

#15

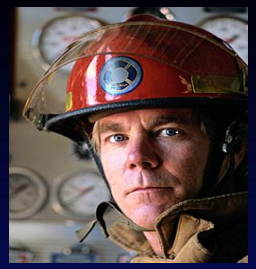
#16

#17

#4

#6

#7



#8

#10

#11

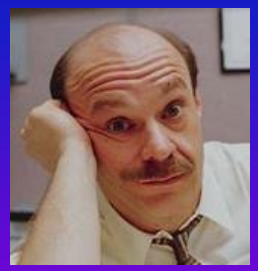
**Total Uncovered Hours = 4940** (Line A)

**Divide by 520 = 9.5**

**Round down = 9**

## Line B of the HC-1 form = 9

(Total "unadjusted" FTEs)



#12

#14

#15

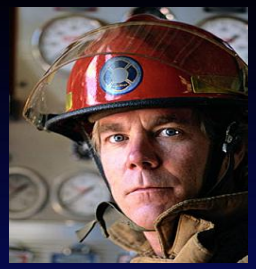
#16

#17

#4

#6

#7



#8

#10

#11

**Total Uncovered "FTE" = 9** (Line B)

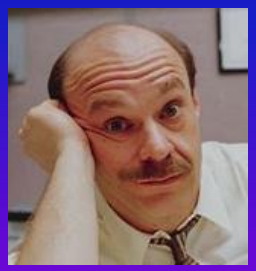
**Subtract # exempted - 4** (# starting 7/1/09)

**5**

## Line C on the HC-1 form = 5 *

(Total "adjusted" and reportable FTEs)

***Also reported on Line 16 of the C-101.**



#12

#14

#15

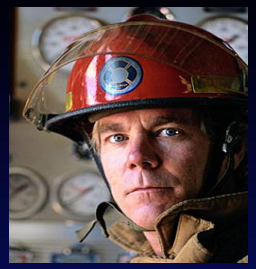
#16

#17

#4

#6

#7



#8

#10

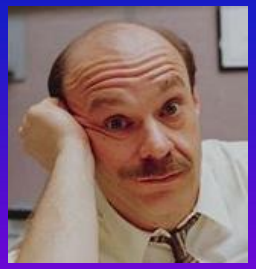
#11

**5** (Adjusted and reportable FTE)
**x $119.12** (Contribution rate per FTE)
**$595.60**

## Line D on the HC-1 form = $595.60*

(Amount of Health Care Contributions due)

***Also reported on Line 17 of C-101.**



#12

#14

#15

#16

#17

# Review #1

Matt, who was 18 for the entire quarter, works for a Pizzeria. His employer does not offer to pay a portion of a health care plan.

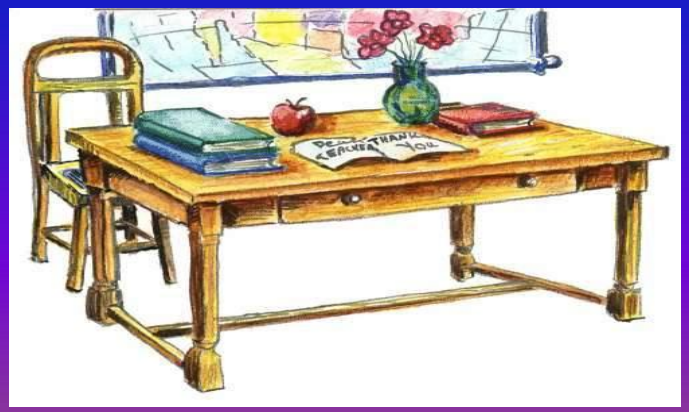
Are Matt's hours "uncovered"?

**YES**

# Review #2

Mary works for a school that offered to pay a portion of a health care plan for her, but she declined and has no other insurance.

Will Mary's hours be "uncovered"?



**YES**

# Review #3

John works for a Construction Company that offered him health care but he declined it because he has other insurance.

Since John didn't take his employer's plan, are his hours counted as "uncovered"?

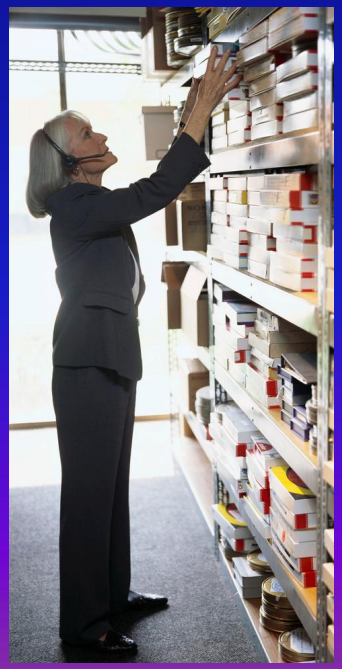
**NO** (With Declaration)

Q: What if John refused to sign/ submit Declaration?

**A: HOURS WOULD BE INCLUDED IN FTE COUNT.**

# Review #4

Jane works part-time in a supply store. Her employer offers to pay a portion of a HC plan for all full-time employees. Jane is covered under her husband's plan.



Will Jane's hours be "uncovered"?

**NO**

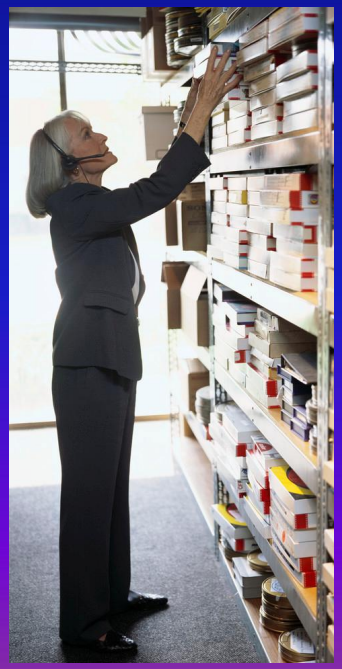
**Provided she works fewer than 390 hours in the reporting quarter.**

Does Jane need to complete a Declaration Form?

**YES**

# Review #4 - Modified

Jane still works part-time, employer only offers a plan to its full-time employees, she still works fewer than 390 hours in the quarter, but Jane's health care coverage is VHAP.



Are Jane's hours "uncovered"? **YES**

Does Jane need to complete a Declaration Form? **YES**

**Without the declaration, the employer does not know if: a) Jane has coverage, and b) if coverage is VHAP or Medicaid.**

# Review #5

Bill offers to pay a portion of a health care plan for all employees. Will he owe any Health Care Contributions?

**MAYBE …**

Declarations are needed from all employees NOT enrolled in the plan he offers.

- ü Bill **EXCLUDES** all employees who indicate on the declaration they have coverage.
- ü Bill **INCLUDES** in his FTE calculation all hours worked in Vermont by employees who declare they have no health care coverage.

# Review 6

While attending college, Judy works at a snack bar every summer. Generally the snack bar is open 15 weeks; Judy has coverage under her parent's plan. The employer does not offer health to any of its employees.

Will Judy's hours be "uncovered"? **YES**

What would need to change to have Judy be considered a "seasonal" employee? **EMPLOYER WOULD HAVE TO OFFER HC COVERAGE TO ALL ITS FULL TIME EMPLOYEES.**

# Employer Health Care Reporting

§ **Section III – Additional Information**

- ü Vermont Dept. of Labor Contact Information
- ü Other Resources

# VDOL Contact Information

Employer Services Unit – 802-828-4344

E-mail sent to: Labor–HealthCareReporting@state.vt.us

UI and Wages Director –
Tracy Phillips, Tracy.Phillips@state.vt.us or 802-828-4242

UI Employer Services Chief –
Maria Beede, Maria.Beede@state.vt.us or 802-828-4254

UI Employer Services Supervisor –
Barbara LaFrancis, Barbara.LaFrancis@state.vt.us or 802-828-4249

**Please check our website for more information at:**

**www.labor.vermont.gov**

# Other Resources

For more information about Catamount Qualifications, Catamount Costs and ESIA Qualifications Contact:

Green Mountain Care
Health Access Member Services
Phone: 1-800-250-8427
TDD: 1-888-834-7898
www.GreenMountainCare.org

Catamount Blue
Blue Cross Blue Shield of Vermont (BCBSVT)
Phone: 1-888-445-5805
www.bcbsvt.com/catamount

MVP Catamount Choice
MVP Health Care
Phone: 1-888-687-6277
www.GreenMountainCare.org