

Money, Grief and IRS Audits: **Why you need your ACA plan in place by November 15th, 2014.**

I have until *January 1st* to figure out and implement my ACA plan... Right?

Wrong. By waiting until *January 1st*, you can almost guarantee IRS scrutiny of your company and unhappy employees (which often means expensive turnover and worker's comp claims). You could also be leaving yourself on the hook for penalties that can add up to tens of thousands of dollars **per employee.**

On *November 15, 2014* the health care exchanges will open again, and all Americans will be recruited by the federal government to apply for free or subsidized health insurance policies courtesy of Uncle Sam.

The Feds will be doing everything in their power to sign up as many people as possible.

Here is how it works:

1. Your employee applies for insurance on the exchange and answers questions about his income and whether or not **you**, his employer, offered him coverage.
2. Since **you** are waiting until January 1st to deal with the ACA, you **will not** have offered coverage by the time your employee applies to the exchange.
3. If your employee meets the income guidelines, he will qualify for a subsidy or tax credit.
4. The exchange is supposed to contact you to verify that you have not offered coverage. However, this process is not in place yet so most if not all employees will qualify for assistance simply based on the information they give on their application.
5. If you do end up offering insurance after *January 1st*, the IRS will already have been told that you did not offer insurance which means according to the IRS's records, you will be assessed an excise tax of **\$2,000** for **every full-time employee** you have.
6. Once the IRS has been informed that **you did not** offer insurance, their records will indicate that you should pay **\$2,000** for **every full-time employee**. It will then be up to you and your lawyers to then prove with legal documentation dating back a minimum of 24 months:
 - how many full-time and part-time employees you have;
 - that you offered ACA qualified insurance;
 - that every single employee who received a subsidy or tax credit was offered insurance and declined it.

This is a recipe for disaster. If you wait until the first of the year to do anything, you will be the reason your employees have to pay back their subsidies and tax credits to the IRS. But that is not even the worst of it.

You will have increased costs (including legal fees) in proving to the IRS that the conflicting information they received was a mistake. If you do not have a clear documentation strategy that you can clearly recall (2 years later), you are going to have to convince the IRS that even though you did not offer a plan in 2014, you now have one in 2015. Good luck, by the way.

In essence, you are volunteering for an audit. And when the IRS audits, they have a license to look into all of your businesses.

How Can **FreedomCare** help?

FreedomCare is a **100% ACA compliant** solution that does 3 things:

1. FreedomCare allows employers to easily and legally comply with the ACA Employer Mandate. This allows employers to focus on running a profitable business rather than worrying about avoiding IRS Penalties.
2. FreedomCare is a **COMPLETE** and guaranteed compliant solution. Many self-insured employers will soon find themselves wondering what documentation and additional work (that they were not aware of) is required of them as a self-insured employer.
3. FreedomCare utilizes long-established financial tools that allow employers to keep more of their hard earned money.

Contact me as soon as possible to get your plan in place,

