

MA Employers Subject to New HIRD Reporting Requirement Starting Nov. 30, 2018

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In 2017, Massachusetts enacted a supplemental appropriations bill providing for the creation of an employer healthcare coverage form that Massachusetts employers with six or more employees would be required to submit annually. Recently, the Massachusetts Department of Revenue (DOR) released guidance on this new requirement, providing that covered employees will be required to submit a new Health Insurance Responsibility Disclosure (HIRD) form annually starting November 30 of this year. Covered employers, therefore, must complete and submit their 2018 HIRD forms by November 30, 2018.

The DOR's guidance provides that any Massachusetts-based employer who currently has or had six or more employees in any month during the preceding twelve months will be required to complete the HIRD form annually. This includes employers who do not offer health insurance. The form is designed to collect information relating to an employer's sponsored insurance offerings and aid MassHealth and the DOR in identifying MassHealth enrollees with access to qualifying employer-sponsored insurance who may be eligible for the MassHealth Premium Assistance Program.

As we discussed in our previous client alert, Massachusetts employers are subject to an employer medical assistance contribution (EMAC) if their employees enroll in MassHealth or the Connector program. Recently, the Department of Unemployment Assistance finalized regulations authorizing a hardship exception from the assessment if paying the assessment for an employer would pose an undue financial burden. Under the regulations, a hardship exemption is available for employers who are either: (1) suffering a financial hardship such that payment of the assessment is likely to result in closure of the business or a significant loss of employment; (2) subject to multiple assessments in a year; or (3) facing a significant employee turnover rate. Some employers – such as small businesses or those that are heavily dependent on governmental funding – are eligible for special consideration.

The HIRD reporting period opened on November 1, 2018, and reporting must be completed by November 30, 2018. Thereafter, HIRD reporting will be due each year on November 30th. In order to comply with the reporting requirement, employers must submit the HIRD form through the MassTaxConnect (MTC) web portal. If an employer uses a payroll company to file tax information on the MTC, the HIRD form may be filed by either the employer or the payroll company. However, it is the employer's responsibility to ensure that the HIRD form is timely filed.

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