

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: September 14, 2018

PERSONNEL LETTER #18-019
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: Marissa Revelino, Chief
Personnel and Payroll Services Division (PPSD)

**RE: AFFORDABLE CARE ACT ADVANCED PREMIUM TAX CREDIT NOTIFICATION AND
APPEAL PROCESS**

Under the Employer Shared Responsibility provisions of the Affordable Care Act (ACA), the State of California may be subject to penalties for each full-time employee (full-time employees are defined as those employees who average 130 or more hours of service during an applicable 12-month measurement period) who receives an advanced premium tax credit (APTC) toward the purchase of their health coverage through Covered California, the state's health marketplace, or the U.S. Department of Health and Human Services (HHS), the federal health marketplace.

Covered California or HHS will send letters to employers with information about their employees who received an APTC toward the purchase of their health coverage through one of the health marketplaces. The notices are sent to employers if at the time of enrollment, their employee attested that he/she was neither enrolled in, nor offered affordable employer-sponsored health coverage. When a notice is sent, it provides an opportunity for employers to appeal an employees' APTC eligibility if the employee was actually offered an opportunity to enroll in employer-sponsored health coverage that met the ACA's affordability and minimum value standards. Appealing an employee's eligibility for an APTC could reduce the state's exposure to a penalty assessment from the Internal Revenue Service.

Covered California has begun issuing letters to employers and will continue to for the next three weeks. It is imperative that Human Resources personnel understand the notification process since SCO has only 90 days from the date of the notice to file an appeal if necessary.

To facilitate the appeals process, the State Controller's Office (SCO) has developed the [ACA Tax Credit Notification Intake Form](#). Departmental human resources staff must complete this form each time a notice from Covered California or HHS is received. The information that is provided on the form will help SCO to determine whether an appeal is necessary.

When a notice is received, departmental human resources staff must gather the following information:

- Copy of notice from Covered California or HHS
- Completed [ACA Tax Credit Notification Intake Form](#)
- PERS-HBD-12 (if the employee elected benefits)
- PERS-HBD-12A (if the employee declined benefits)
- Any other supporting documentation

Within 10 days of receipt of the notice, departmental human resources staff must provide the above listed items to the SCO the address listed below.

ATTN: ACA Unit
State Controller's Office – Personnel/Payroll Services Division
300 Capitol Mall, Suite #1001
Sacramento, CA 95814

SCO will work with departmental human resources staff to determine an employee's eligibility for the APTC. SCO will file an appeal if the employee was offered an opportunity to enroll in employer-sponsored health coverage that met the ACA's affordability and minimum value standards.

If you have additional questions related to ACA reporting or the ACA Tax Credit Notification Intake Form, please contact ACA Online Support at (916) 322-3770 or via email at acasupport@sco.ca.gov.

MR:MV:SH:ACA