HBL

CPAs, P.C.

5656 E. Grant Road • Suite 200
Tucson, Arizona 85712
(520) 886-3181
Fax: (520) 885-3699
www.hblcpa.com

NEWSLETTER

May/June 2015

Are you prepared for 2016 Affordable Care Act requirements?

Employers should already be preparing to comply with next year's Affordable Care Act reporting requirements regarding their employee health-care benefits.

Self-insuring employers and employers with 50 or more full-time employees are required under the Affordable Care Act to file information with the IRS about health insurance coverage provided – or not provided – to their employees.

The required reporting with respect to calendar year 2015 begins with providing an information return to the IRS by Feb. 29, 2016, or March 31, 2016, if reporting electronically. (Normally, the deadline is Feb. 28 each year, but 2016 is a leap year.) But employers should have already begun pulling together the 2015 health coverage information for each month.

Self-insuring employers – Section 6055

Self-insuring employers must file an information return with the IRS using Form 1095-B, Health Coverage, and Form 1094-B, Transmittal of Health Coverage Information Returns, each year, providing information about minimum essential coverage for each individual receiving the coverage. The forms must be filed by Feb. 28, or March 31 if reporting electronically.

Minimum coverage is defined as a healthcare plan designed to pay at least 60 percent of the total cost of medical services for a standard population. Most employer-sponsored health coverage qualifies as "minimum essential coverage." However, specialized coverage, such as vision and dental care, workers' compensation, disability policies and coverage for only specific health issues, does not qualify.

The required return must contain the following:

- Name, address and taxpayer identification number of the primary insured, as well as the name and taxpayer identification number of any family members of the primary insured who are also covered under this policy.
- Dates during which individuals were covered under minimum essential coverage during the year.
- Whether the health insurance is a qualified health plan in the small group market offered through an exchange. In a situation where employers are providing minimum essential health insurance coverage during the year, they must provide information regarding whether the coverage is a qualified health plan offered through a healthcare exchange and how much the amount of the advance payment is, if any.
- Any additional information the IRS requires.

Traditional group health plans

If the minimum essential coverage is provided by the employer through a traditional group health plan, a return is still required to be filed by the deadline.

The return must contain the following information:

- Name, address, and employer identification number of the employer maintaining the plan
- Portion of the premium, if any, required to be paid by the employer

See **Affordable Care Act** *inside*

Five steps to setting effective company goals

Goal setting is nothing new.

You've likely been setting goals for yourself since you were a child: learn to ride a bike, graduate from high school, get a good job. Human beings are goal-oriented creatures. We like to know the outcome expected of us.

Goals can be motivating or demotivating, however. They can be used as a carrot or a stick. Although humans may respond to both types of goals, over time the stick approach tends to demotivate and demoralize, while the carrot approach tends to energize.

If you're hoping to set goals that will motivate, consider the following:

1. Don't be arbitrary. An assigned goal should have some basis in reality. Let's say you're starting to offer a new product to your customer base and you want to set a goal for sales volume of the product.

You can't know exactly what is reasonable, but you may be able to pull information from previous product launches that will help you be reasonable in the goal you set.

Or, you may be able to find market data that indicates the amount of demand and the likely buying patterns of the customer base you're targeting. You should be able to explain why a particular goal was chosen if you want others to get behind it.

2. Goals should follow control. It is frustrating for an employee or department to be judged by goals they don't have the ability to influence or control. For example, if you set a safety goal for the entire company and reward or punish the entire company for the result, you'll likely be punishing people who had no control over the incidents that occurred. (The accounts payable department doesn't have any control over how the trucking department manages its workers.)

A more useful goal might be to judge departments separately on the safety goal. Each department can be expected to train, instruct and monitor safety that applies to its own area, with some departmental control.

3. Setting goals should be collaborative. It's one thing to decree that a goal has been set. It's another to include those who will be responsible for achieving the goal in the process of setting the goal.

Those closest to the task often see the opportunities and obstacles more clearly than those farther removed. Discussing the possibilities can make for a more reasonable goal, and it can result in more buy-in from the employees.

Managers sometimes fear that employees will try to set the goal low so that they can more easily achieve it. The collaboration of employees and managers in the discussion can limit this tendency. Looking at trends from prior periods can also be informative to the discussion and keep everyone focused on reality.

4. Goals should encourage collaboration. There are often times when one department's goals can pit it against another department. Departments should collaborate.

While "positive tension" can be a good business principle, too much tension can lead to turf wars, wasted time and energy, and poor performance overall.

For example, if your accounts receivable/customer credit department is given a challenging goal of keeping receivables low, they may work against the sales department by setting the creditworthiness scale too high, making it difficult for sales to bring in new customers.

The key, of course, is balance. Consider having departments whose goals affect each other work together to set the goals. The company needs to do well, not just one department.

5. Goals should be specific and measurable. Keeping score is one of the components of using goals. Everyone involved with the goal should know how the score will be kept and what constitutes a winning score.

If you tell the people in a department, for instance, that one of their goals is to be more accommodating to other departments, that is somewhat difficult to specifically measure. The concept may be good and the behavior change may be needed, but the goal isn't clear.

A better goal would be to specify things like achieving turnaround time, meeting deadlines, or attending regular meetings to better understand the needs of other departments. These are specific and measurable, and they will likely yield the result of being more accommodating.

Overall, goal setting should start at the company level and trickle down to the departments that support the company's success.

Each goal should clearly lead to a desired outcome of the company overall. When the team knows the overall goal and how their department's behavior contributes to achieving the goal, they'll be better able to perform and reach the desired targets. ◆

Affordable Care Act *continued from front*

➤ Any other information the IRS requires

Employers providing health insurance coverage are also required to furnish related information about the coverage to each individual. For calendar year 2015, the information is due to individuals by Jan. 31, 2016.

These statements must provide the following information:

➤ The name and address of the employer maintaining the plan, and a contact name and phone number that the employees can access if they have any questions

➤ The information required to be reported on the return with respect to such individual

Large employers - Section 6056

Large employers, those with 50 or more full-time or full-time equivalent employees, must file Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Return, with the IRS by Feb. 29, 2016, or March 31 if reporting electronically.

This information return reports the terms and conditions of the healthcare coverage they provided to their employees for the calendar year.

See **Affordable Care Act** *next page*

Make eye contact *(and don't bring your dog to the interview)*

One job candidate sat in a yoga pose throughout the interview.

Another attempted to hide his dog in a duffel bag on his lap.

And a third tried to Google the answer to a question.

These are just a few of the most outlandish interview behaviors that, obviously, cost the applicants the job, as reported by nearly 2,200 hiring and human resource managers in a recent survey by the Harris Poll on behalf of Careerbuilder.

Half of the employers said they knew within five minutes if the applicant was a fit for the job. That amount rose to 90 percent after 15 minutes.

And it's not just the answers to the questions applicants are being asked. Body language sends many clues to interviewers. Non-verbal behavior reflects a level of professionalism, experts say.

The biggest body language mistakes, according to the survey:

1. Failing to make eye contact (65 percent)
2. Failing to smile (36 percent)
3. Playing with something on the table (33 percent)
4. Having bad posture (30 percent)
5. Fidgeting too much in their seat (29 percent)
6. Crossing their arms over their chest (26 percent)
7. Playing with their hair or touching their face (25 percent)
8. Having a weak handshake (22 percent)
9. Using too many hand gestures (11 percent)
10. Having a handshake that is too strong (7 percent)

Careerbuilder recommends that job applicants practice interviewing skills ahead of time and even video themselves during a mock interview situation to help identify problem areas.

It's important to do background research on the company beforehand and also to have a 30-second "elevator pitch" ready to answer the "Tell me about yourself" question.

Then, before the interview, the advice is to remember to breathe and take a few deep breaths to relieve some of the anxiety.

And, here are some other unlikely scenarios to avoid that have actually happened to job interviewers in the CareerBuilder study:

- The candidate asked if he could offer religious advice to employees.
- The candidate asked how much money everyone else made.
- In answer to a question about diversity, the candidate used the term "off the boat."
- After introducing himself, the candidate said, "But you can call me Tigger. That's the nickname I gave myself."
- The candidate brought about 50 ink pens to the interview and spread them out across the table.
- Asked why he left his last position, the candidate said, "Kicking someone's butt that really needed it."
- The candidate asked if his wife, who worked at the company where he was interviewing, was having an affair. ◆

Affordable Care Act *continued from previous page*

The employers must also provide related information to their employees by Jan. 31, 2016.

The information return must include the following:

- Employer's name and identification number
- Certification of whether the employer offers full-time employees and their dependents the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan
- Number of full-time employees for each month of the calendar year
- Name, address and taxpayer identification number of each full-time employee employed by the employer during the calendar year and any months during which the employee and any dependents were covered under the eligible employer-sponsored plan during the calendar year
- Any other information the IRS requires

Large employers that offer employees the opportunity to enroll in minimum essential coverage are required to report:

- Duration of any waiting period for the coverage
- Months during the calendar year when coverage was available
- Monthly premium for the option that cost the lowest amount in each enrollment category
- Employer's share of the total allowed costs of benefits under the plan ◆

HBL CPAs, P.C.

5656 E. Grant Road • Suite 200
Tucson, Arizona 85712
(520) 886-3181
Fax: (520) 885-3699

Which college majors translate into the highest-paying jobs?

There's a joke that goes: To the optimist, the glass is half full. To the pessimist, the glass is half empty. To the engineer, the glass is twice as big as it needs to be.

But when it comes to salary compared to other professions, there's no joke. The engineer's glass is definitely full.

In a new study by Payscale.com on *The Bachelor's Degrees with the Highest Salary Potential*, nine of the top 10 are engineering degrees. (See chart at right.)

What students decide to major in has a huge impact on their future earnings. In general, those majors in STEM (science, technology, engineering and math) are rewarded the most monetarily. Conversely, those majors with the lowest future salary potential are those dealing with education and child development.

Engineers who go on to earn master's or doctorate degrees, make considerably higher salaries. Petroleum engineering is still No. 1 on the list of earners with graduate degrees, and four other engineering degrees are in the top 10. Attorneys rank No. 10 on the graduate degree list, with early salary averaging $66,100, growing to $139,000 later.

Other graduate degrees that bring the highest earning power are nurse anesthetist (No. 2 with $140,900 average starting salary), MBA's in both strategy and strategic management, and computer science.

Other majors that have strong earning power in future years are technology, business, finance and accounting, marketing and nursing.

Undergraduate Major	Early Career Salary	Mid-Career Salary
1. Petroleum Engineering	$102,300	$176,300
2. Actuarial Mathematics	$60,800	$119,600
3. Nuclear Engineering	$67,000	$118,800
4. Chemical Engineering	$69,600	$116,700
5. Electronic & Comm. Engineering	$64,100	$113,200
6. Electrical & Computer Engineering	$66,500	$113,000
7. Computer Science Engineering (CS)	$67,700	$112,600
8. Computer Engineering (CE)	$67,300	$108,600
9. Electrical Engineering	$65,900	$107,900
10. Materials Science Engineering	$64,000	$105,100

Payscale rates the the most underemployed college major as criminal justice, with 62 percent of graduates feeling underemployed. The rating is based on low compensation or "having part-time work but wanting full-time or holding a job that doesn't require or utilize the person's education, experience or training."

Criminal justice is followed by business management and administration majors at 60 percent and healthcare administration, with 58 percent feeling underemployed.

Other college majors that currently have more trouble translating into meaningful jobs for the graduates are general studies, sociology, English, graphic design, liberal arts, education and psychology. ◆

This newsletter is published by *HBL CPAs, P.C.,* a Professional Corporation of Certified Public Accountants.