

For use when there are multiple companies owned or when a parent-subsiary relationship exists

Chapter 26.1-36.3 of the North Dakota Century Code defines:

Small employer

The term “*small employer*” means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least two but not more than fifty eligible employees on business days during the preceding calendar year and who employs at least two employee on the first day of the plan year.

Eligible Employee

Eligible Employee means an employee who works on a full-time basis and has a normal workweek of thirty or more hours. The term includes a sole proprietor, a partner of a partnership, and an independent contractor, if the sole proprietor, partner, or independent contractor is included as an employee under a health benefit plan of a small employer. The term does not include an employee who works on a part-time, temporary, or substitute basis.

Below, count all permanent employees working a minimum of 30 hours per week including owners working at one of the companies for which they are eligible. Do not include part-time, temporary or substitute employees.

NEW OR RENEWING COMPANY:

Company A: _____		
Location(s): _____		
Owners/Partnerships: _____	_____ %	Total number of employees
(must equal 100%) _____	_____ %	on payroll working a
	_____ %	minimum of 30
		hrs/week: _____

OTHER COMPANIES:

Company B: _____		
Location(s): _____		
Owners/Partnerships: _____	_____ %	Total number of employees
(must equal 100%) _____	_____ %	on payroll working a
	_____ %	minimum of 30
		hrs/week: _____

OTHER COMPANIES:

Company C: _____		
Location(s): _____		
Owners/Partnerships: _____	_____ %	Total number of employees
(must equal 100%) _____	_____ %	on payroll working a
	_____ %	minimum of 30
		hrs/week: _____

1. Yes No Are the companies listed above considered “Affiliated Service Groups”?
2. Yes No Are you a family owned business?
 - 2b. Yes No If yes to question #2, does the attribution rule apply?
3. Yes No Do Organizational Attribution Rules apply?

(If yes to questions #1-3, a CPA/attorney signature is required on page 2 of this form.)

4. Do you share employees between companies? _____
5. Where is your main site of operations? _____
6. Location of CEO: _____
7. Name of your umbrella company if applicable: _____
8. Additional companies (please complete a separate form): _____
9. Date you became a controlled group: _____

- According to IRS section 414, the related companies are considered to be a single employer and
 - Choose to be combined under one insurance plan
 - Choose NOT to be combined under one insurance plan
- According to IRS section 414, the related companies are **NOT** considered to be a single employer and should not be combined under one insurance plan

As an Officer of Company, CPA for Company, Legal Counsel for Company, I certify the information provided above is complete and accurate. I have conducted reasonable diligence in obtaining the necessary information.

HealthPartners reserves the right to re-evaluate the rate, the issuance of a proposal, and/or take other appropriate action, should the information be found to be different than stated above.

Printed Name	Signature	Officer of Company	Date
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Printed Name	Signature	Officer of Company	Date
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Definition of the Most Common Type of Controlled Group Entities

Below is the definition of the most common type of controlled group entities. This is taken from IRS section 414 and section 1563. [For those Partnerships, Limited Liability Corporations or Limited Liability Partnerships where there is no stock ownership but Partnership interest, follow the Brother-Sister controlled group definition for applicable percentages of ownership.]

Parent-Subsidiary Controlled Group – Means one or more chains of corporations connected through stock ownership with a common parent corporation if:

- a) Stock possessing at least 80% of the total combined voting power of all classes of stock entitled to vote are at least 80% of the total value of shares of all classes of stock of each of the corporations, except the common parent corporation is owned by one or more of the other corporations; and
- b) The common parent corporation owns stock possessing at least 80% of the total combined voting power of all classes of stock entitled to vote or at least 80% of the total value of share of all classes of stock of at least one of the other corporations, excluding, in computing such voting power or value, stock owned directly by such other corporations.

Brother-Sister Controlled Group – Means two or more corporations if the **same five or fewer persons** who are individuals, estates or trusts own stock possessing:

- a) At least 80% of the total combined voting power of all classes of stock entitled to vote or at least 80% of the total value of shares of all classes of stock of each corporation; and
- b) More than 50% of the total combined voting power of all classes of stock entitled to vote or more than 50% of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each such person only to the extent such stock ownership is identical with respect to each such corporation.

Affiliated Service Groups – An Affiliated Service Group is one type of group of related employers and refers to two or more organizations that have a service relationship and, in some cases, an ownership relationship, described in IRS section 414(m).