



## Controlled and affiliated service group form: Wisconsin

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

Section 1304 (b) (2) of the Patient Protection and Affordable Care Act (42 U.S. Code 18024 (b)(2)) has been amended by the Protecting Affordable Coverage for Employees Act (“PACE Act”) to now read:

**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 1 but not more than 50 employees on business days during the preceding calendar year and who employs at least 1 employee on the first day of the plan year.

**Employee**

“*Employee*” still has the meaning given the term under section 3(6) of ERISA, which states, “any individual employed by an employer.”

Total number of employees that must be counted; fulltime, part-time, temporary, seasonal and all union employees as well as owners employed in the company. This will determine group size.

**NEW OR RENEWING COMPANY:**

Company A: _____		Total number of employees on payroll: _____
Locations (s): _____	_____	
Owners/Partnerships: _____	%	
(must equal 100%) _____	%	
_____	%	

**OTHER COMPANIES:**

Company B: _____		Total number of employees on payroll: _____
Locations (s): _____	_____	
Owners/Partnerships: _____	%	
(must equal 100%) _____	%	
_____	%	

Company C: _____		Total Number of employees on payroll: _____
Locations (s): _____	_____	
Owners/Partnerships: _____	%	
(must equal 100%) _____	%	
_____	%	

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	

  

Printed Name	Signature	CPA or Attorney	License Number	Date

### Definition of the Most Common Type of Controlled Group Entities

Under section 414 of the Federal Internal Revenue Code a group of companies are considered a single employer for purposes of determining the number of current employees and may, under certain circumstances, be able to be insured together.

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).