

**OWNERSHIP VERIFICATION FORM**

The Health Insurance Portability and Accountability Act of 1996 states that all persons and/or entities treated as a controlled group under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 will be treated as a single employer.

This form provides Regence with information needed to quote and/or enroll multiple businesses as a single employer under the Internal Revenue Code, and applicable state laws. Regence may request additional information if needed.

1. What is the group's full legal name for contracting purposes? \_\_\_\_\_

2. Group number if renewal \_\_\_\_\_

3. Please list all companies that are eligible to be included as part of a consolidated tax return (even if they don't file a consolidated tax return) or who are part of a controlled group as defined under the Internal Revenue Code or state law. Attach additional page if necessary.

Full Legal Name of Parent/Subsidiary/Affiliate Company	Total number of employees	State of company headquarters	Federal Employer Identification Number

4.  Check this box only if the contracting group has no parent, subsidiary, or affiliated entities.

The Group agrees: (1) to notify Regence in writing within ten (10) business days of any change to the company/business entity structure listed including, but not limited to, the addition or deletion of any business entities listed; and (2) that Regence will have the right to rerate the group within thirty (30) days of receiving notice of the changed business entity structure.

5. I certify that the applicant is a single employer under section 414 of Internal Revenue Code of 1986 (26 U.S.C. §414 (b), (c), (m) or (o)), and under any applicable state law. I further certify there are no other affiliated entities, other than the ones listed above, who are eligible to file a consolidated tax return or are part of a controlled group.

Name: (Please Print) \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Relationship to Company:     Accountant     Attorney     Company Owner, President, VP, CEO, CFO

**IRC § 414(b) Employees of controlled group of corporations**

For purposes of sections 401, 408 (k), 408 (p), 410, 411, 415, and 416, all employees of all corporations which are members of a controlled group of corporations (within the meaning of section 1563 (a), determined without regard to section 1563 (a)(4) and (e)(3)(C)) shall be treated as employed by a single employer. With respect to a plan adopted by more than one such corporation, the applicable limitations provided by section 404 (a) shall be determined as if all such employers were a single employer, and allocated to each employer in accordance with regulations prescribed by the Secretary.

**IRC § 414(c) Employees of partnerships, proprietorships, etc., which are under common control**

For purposes of sections 401, 408 (k), 408 (p), 410, 411, 415, and 416, under regulations prescribed by the Secretary, all employees of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer. The regulations prescribed under this subsection shall be based on principles similar to the principles which apply in the case of subsection (b).

**IRC § 414(m) Employees of an affiliated service group**

- (1) In general. For purposes of the employee benefit requirements listed in paragraph (4), except to the extent otherwise provided in regulations, all employees of the members of an affiliated service group shall be treated as employed by a single employer.
- (2) Affiliated service group. For purposes of this subsection, the term “affiliated service group” means a group consisting of a service organization (hereinafter in this paragraph referred to as the “first organization”) and one or more of the following:
  - (A) any service organization which:
    - (i) is a shareholder or partner in the first organization, and
    - (ii) regularly performs services for the first organization or is regularly associated with the first organization in performing services for third persons, and
  - (B) any other organization if:
    - (i) a significant portion of the business of such organization is the performance of services (for the first organization, for organizations described in subparagraph (A), or for both) of a type historically performed in such service field by employees, and
    - (ii) 10 percent or more of the interests in such organization is held by persons who are highly compensated employees (within the meaning of section 414(q)) of the first organization or an organization described in subparagraph (A).
- (3) Service organizations. For purposes of this subsection, the term “service organization” means an organization the principal business of which is the performance of services.
- (4) Employee benefit requirements. For purposes of this subsection, the employee benefit requirements listed in this paragraph are:
  - (A) paragraphs (3), (4), (7), (16), (17), and (26) of section 401 (a), and
  - (B) sections 408 (k), 408 (p), 410, 411, 415, and 416.
- (5) Certain organizations performing management functions. For purposes of this subsection, the term “affiliated service group” also includes a group consisting of—
  - (A) an organization the principal business of which is performing, on a regular and continuing basis, management functions for 1 organization (or for 1 organization and other organizations related to such 1 organization), and
  - (B) the organization (and related organizations) for which such functions are so performed by the organization described in subparagraph (A).For purposes of this paragraph, the term “related organizations” has the same meaning as the term “related persons” when used in section 144 (a)(3).
- (6) Other definitions. For purposes of this subsection:
  - (A) Organization defined. The term “organization” means a corporation, partnership, or other organization.
  - (B) Ownership. In determining ownership, the principles of section 318 (a) shall apply.

**IRC § 414(o) Regulations**

The Secretary shall prescribe such regulations (which may provide rules in addition to the rules contained in subsections (m) and (n)) as may be necessary to prevent the avoidance of any employee benefit requirement listed in subsection (m)(4) or (n)(3) or any requirement under section 457 through the use of:

- (1) separate organizations,
- (2) employee leasing, or
- (3) other arrangements.

The regulations prescribed under subsection (n) shall include provisions to minimize the recordkeeping requirements of subsection (n) in the case of an employer which has no top-heavy plans (within the meaning of section 416 (g)) and which uses the services of persons (other than employees) for an insignificant percentage of the employer’s total workload.