

# Underwriting Guideline Changes

## Small Business | 1-100 Employees | July 1, 2017

Note all references to 1-50 and/or 51-99 have either been removed when appropriate or changed to 1-100. Each instance of the change may not be noted below. Refer to the Underwriting Guidelines booklet for complete requirements.

Category	Existing	New
<b>Quarterly Wage Report (QWR)</b>	<p><b>Employers with less than 10 eligible employees</b></p> <ul style="list-style-type: none"> <li>Handwritten Quarterly Wage Reports are not acceptable.</li> <li>If there are new hires who do not appear on the Quarterly Wage Report (DE9 and DE 9C) – write their name(s), Social Security number(s) and date(s) of hire on the bottom of the QWR.</li> </ul> <p><b>Employers with 10 or more eligible employees</b></p> <ul style="list-style-type: none"> <li>A completed and signed Participation Certification form.</li> </ul>	<p><b>Employers with less than 10 eligible employees</b></p> <ul style="list-style-type: none"> <li>Handwritten wage and tax statements are acceptable if the state form is used.</li> <li>New hires who are not listed on the wage and tax statement or are handwritten require a two-week payroll.</li> </ul> <p><b>Employers with 10 or more eligible employees</b></p> <p>Submit one of the following:</p> <ul style="list-style-type: none"> <li>Quarterly wage and tax statement.</li> <li>Participation Certification form.</li> <li>If in business less than one year, at least one applicable tax document. Refer to the Type of Company &amp; Length of Time in Business section.</li> <li>For owner-only groups, at least one applicable ownership document based on length of time in business.</li> </ul>
<b>Payroll Record Requirements</b>	<p>Handwritten or estimated QWRs or payroll, individual payroll/pay stubs or W-2, W-3, W-4, W-9s are not acceptable.</p> <p>The payroll must be from a payroll record service (e.g., ADP, PayChex, Wells Fargo) and must include all of the following:</p>	<p>In-house payrolls may be generated from payroll software programs such as Quicken, QuickBooks, Peachtree, etc. for groups that have been in business less than a year.</p> <p>Third Party Administrator (TPA) payrolls (from Automatic Data Processing [ADP], Paychex, etc.) are acceptable and must include all of the following:</p>
<b>Proof of Ownership</b>	<p>Proof of ownership is required for all eligible enrolling (and/or waiving) owners not appearing on the Quarterly Wage Report.</p>	<p>Proof of ownership is required for all eligible enrolling (and/or waiving) owners not appearing on the Quarterly Wage Report.</p>

Category	Existing	New
<b>Corporations</b>	<p><b>In business &lt; 1 year:</b>  <b>S-Corps and C-Corps:</b> Filed/Stamped Statement of Information that lists all owners'/officers' names.</p> <p><b>In business &gt; 1 year:</b>  <b>C-Corps:</b> IRS Form 1120 (pages 1 and 2) and IRS 1120 Schedule G and IRS Form 1125-E, which includes all owners.</p> <p><b>S-Corps:</b> IRS Schedule K-1 (Form 1120s) for all owners/officers (current tax year).</p>	<p><b>In business &lt; 1 year:</b>  <b>S-Corps and C-Corps:</b> Articles of Incorporation, IRS or Secretary of State letter indicating issued tax ID number and two-week payroll/quarterly wage and tax (if filed) are required.</p> <p><b>In business &gt; 1 year:</b>  <b>C-Corps:</b> A wage and tax statement or quarterly payroll (if prepared by a payroll company) and IRS Form 1120 (pages 1 and 2) and IRS 1120 Schedule G and IRS Form 1125-E, which includes all owners. If the IRS Form 1120 does not include all owners, a letter from the owners' lawyer or CPA identifying all owners and their percentage of ownership is acceptable.</p> <p><b>S-Corps:</b> A wage and tax statement or quarterly payroll (if prepared by a payroll company) and IRS Schedule K-1 (Form 1120s) for all owners/officers (current tax year) if one or more of the owners does not appear on the wage and tax statement.</p>
<b>Partnership/LLP</b>	<p><b>In business &lt; 1 year:</b>  Partnership Agreement signed by all partners.</p> <p><b>In business &gt; 1 year:</b>  IRS Schedule K-1 (Form 1065) for all partners (current tax year).</p>	<p><b>In business &lt; 1 year:</b>  A Partnership Agreement listing all partners, IRS or Secretary of State letter indicating issued tax ID number, and a two-week payroll/quarterly wage and tax statement (if filed) for employees are required.</p> <p><b>In business &gt; 1 year:</b>  A wage and tax statement or quarterly payroll (if prepared by a payroll company) is required for employees other than partners in the group. IRS Schedule K-1 (Form 1065) for all partners (current tax year) is required for all partners if one or more of the partners does not appear on the wage and tax statement.</p> <p>A Schedule K-1 (Form 1065) is required for all partners if one or more of the owners are not indicated on the wage and tax statement.</p> <p>A Partnership Agreement is acceptable if the Schedule K-1 has not been filed. A copy of the filing extension is required at the time of submission.</p>

Category	Existing	New
<b>Limited Liability Company (LLC)</b>	<p><b>In business &lt; 1 year:</b> LLC Agreement signed by all managers/members/parties.</p> <p><b>In business &gt; 1 year:</b> LLC Agreement signed by all managers/members/parties or copies of appropriate current year tax returns (follow the guidelines for a partnership or sole proprietorship based on how the LLC was formed).</p>	<p><b>In business &lt; 1 year:</b> An LLC Agreement (signed by all parties), IRS or Secretary of State letter indicating issued tax ID number, and a two-week payroll/quarterly wage and tax statement (if filed) for all employees (other than those bound by the LLC Agreement) are required.</p> <p><b>In business &gt; 1 year:</b> A wage and tax statement or quarterly payroll (if prepared by a payroll company) is required. A Schedule K-1 or Schedule C is required for all owners/partners if one (or more) of the owners is not showing on the wage and tax statement.</p>
<b>Sole Proprietorship</b>	<p><b>In business &lt; 1 year:</b> Business License listing the owner name.</p> <p><b>In business &gt; 1 year:</b> IRS Schedule C (Form 1040)</p>	<p><b>In business &lt; 1 year:</b> A Business License, IRS or Secretary of State letter indicating issued tax ID number (if available), and two-week payroll/quarterly wage and tax statement (if filed) for all employees not listed on the license are required.</p> <p><b>In business &gt; 1 year:</b> A wage and tax statement or quarterly payroll (if prepared by a payroll company) is required. IRS Schedule C (Form 1040) is required for all owners. A Schedule C (Form 1040) is required if the sole proprietorship is in the business of renting personal property. A Schedule E is required if the sole proprietorship is in the business of renting commercial property. If the spouse of a sole proprietor is an employee and not listed on the wage and tax statement, a current W2, two-week payroll, or Schedule SE (Self-Employment) is required.</p>
<b>Church</b>	IRS Form 941 and a current QWR (IRS Form 4361 may also be required)	Churches must provide a 941 or 940 Form and a two-week payroll/quarterly payroll/quarterly wage and tax statement (if filed) for all employees of the church.
<b>Farm</b>	IRS Schedule F (Form 1040)	A farm must file a Schedule F and a two-week payroll/quarterly payroll/quarterly wage and tax statement (if filed) for all employees.

PENDING REGULATORY APPROVAL

Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Health plan coverage provided by or through UnitedHealthcare Insurance Company and UHC of California.

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