



# Are You Ready for the New ACA Employer Reporting Requirements?

Presented by: Ruthann Laswick, Blue Water Benefits Consulting LLC





# THE ACA AND EMPLOYER REPORTING

# THE NECESSITY OF REPORTING



# INDIVIDUAL MANDATE

Beginning January 1, 2014 most Americans and legal residents must have Minimum Essential Coverage (MEC) or be subject to a tax.

- IRC section §5000A
- Premium Tax Credits
- Minimum Essential Coverage may include:
  - Individual market plans
  - Employer Sponsored plan
  - Public plans

# EMPLOYER MANDATE

Internal Revenue Code 4980H

January 1, 2015 the Applicable Large Employer (ALE) may be subject to a penalty if they fail to offer coverage to their full-time employees

- Delayed for many mid-size employers
- Failure to offer MEC to at least 95% of full-time employees and their dependents (70% for 2015)
- Offers MEC but
  - Unaffordable
  - Does not meet a 60% minimum value

# PREMIUM TAX CREDITS

Internal Revenue Code section §36B

- Individuals and families
  - Certain household income requirements
  - Without access to Minimum Value affordable coverage through their employer

# REPORTING FOR THE INDIVIDUAL MANDATE

Parties providing Minimum Essential Coverage must report on each individual covered by such policy.

- Insurance Companies
- Government Plans
- Self-funded Plan Sponsors Reporting on all covered persons Statement to each responsible individual
- Marketplace



# 6055 – WHO REPORTS

## **Self-funded plans**

- Plans Sponsor
  - Employer
  - Board of Trustees – Multiemployer Plan
  - MEWA – each participating employer
  - Employee Organization

# SPECIAL CIRCUMSTANCES

- Employers in a controlled group that are not applicable large employer members (after applying aggregation rules), they may report as separate entities, or one entity may report for the group.
- Third party reporting is permitted; the liability remains with employer.

# IRC §6055 REPORTING

## Forms 1094-B & 1095-B

- Used by issuers for fully-insured plans.
- To be used by plan sponsors for **small** self-funded plan.
  - ALEs with self-funded plans will report for both §6055 and §6056 on forms 1094-C and 1095-C.

# IRS FORM 1094-B

Form **1094-B**

Department of the Treasury  
Internal Revenue Service

## Transmittal of Health Coverage Information Returns

► Information about Form 1094-B and its separate instructions is at [www.irs.gov/form1094b](http://www.irs.gov/form1094b).

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OMB No. 1545-2252

**2014**

<b>1</b> Filer's name		<b>2</b> Employer identification number (EIN)	
<b>3</b> Name of person to contact		<b>4</b> Contact telephone number	
<b>5</b> Street address (including room or suite no.)		<b>6</b> City or town	
<b>7</b> State or province		<b>8</b> Country and ZIP or foreign postal code	
<b>9</b> Total number of Forms 1095-B submitted with this transmittal . . . . . ►			

**For Official Use Only**



Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct and complete.

► \_\_\_\_\_  
Signature

► \_\_\_\_\_  
Title

► \_\_\_\_\_  
Date

# IRS FORM 1095-B

## EMPLOYEE NOTICE

Form **1095-B**

Department of the Treasury  
Internal Revenue Service

### Health Coverage

► Information about Form 1095-B and its separate instructions is at [www.irs.gov/form1095b](http://www.irs.gov/form1095b).

☐ VOID  
☐ CORRECTED

560115

OMB No. 1545-2252

**2014**

#### Part I Responsible Individual (Policy Holder)

1 Name of responsible individual		2 Social security number (SSN)	3 Date of birth (If SSN is not available)
4 Street address (including apartment no.)	5 City or town	6 State or province	7 Country and ZIP or foreign postal code
8 Enter letter identifying Origin of the Policy (see instructions for codes): . . . . . ► <input type="checkbox"/>		9 Small Business Health Options Program (SHOP) Marketplace identifier, if applicable	

#### Part II Employer Sponsored Coverage (If Line 8 is A or B, complete this part.)

10 Employer name			11 Employer identification number (EIN)
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

#### Part III Issuer or Other Coverage Provider

16 Name		17 Employer identification number (EIN)	18 Contact telephone number
19 Street address (including room or suite no.)	20 City or town	21 State or province	22 Country and ZIP or foreign postal code

#### Part IV Covered Individuals (Enter the information for each covered individual(s).)

(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# §6055 INFORMATION TO REPORT

## **Social Security Number Challenges**

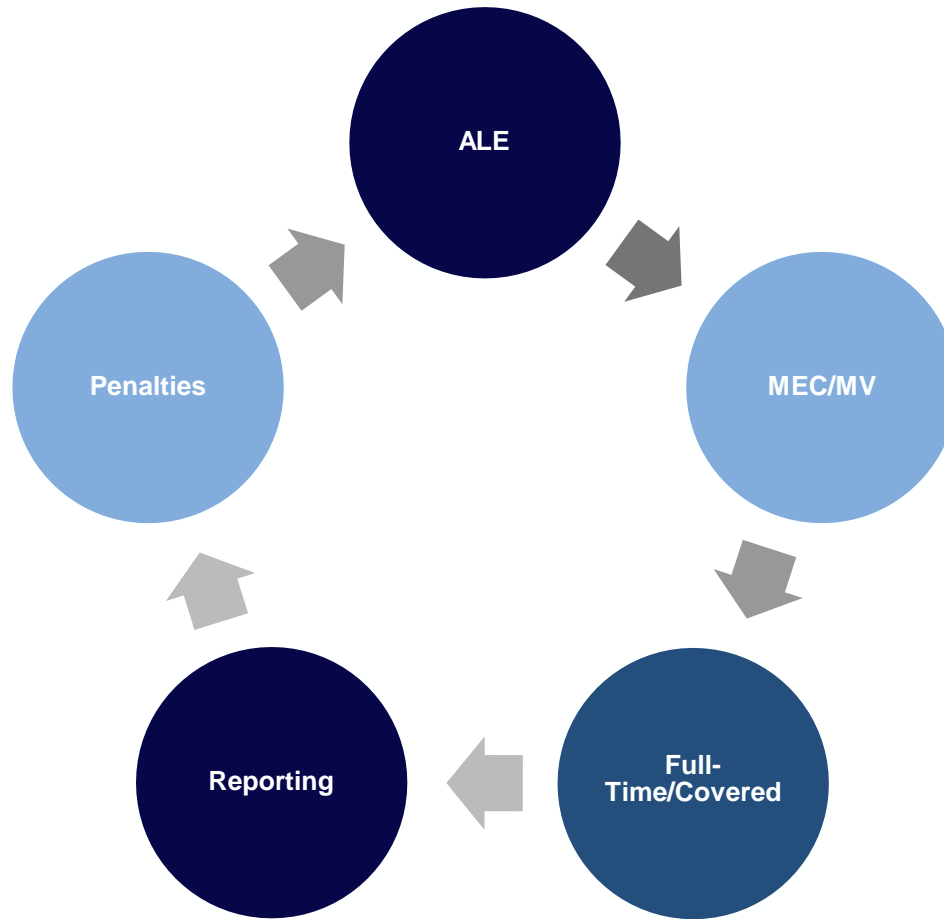
- Must request 3 times
  - At inception of coverage
  - By December 31 of year in which coverage began
  - By December 31 of the following year
- Truncated TIN is permitted
- Can use date of birth if “reasonable effort” to obtain SSN

# EMPLOYER MANDATE REPORTING

Applicable Large Employers (ALEs) subject to the employer mandate IRC Section §4980H must report

- On their full-time employees
- The employer-sponsored coverage offered
- Must provide all full-time employees a statement of the information reported

# THE ANNUAL CYCLE FOR AN APPLICABLE LARGE EMPLOYER





# DUE DATE FOR REPORTING

- By February 28 of the following calendar year
- Electronic filing due no later than March 31
  - If filing 250 or more forms electronic filing is required



# REPORTING TO INDIVIDUALS

- **Due January 31 following the end of the calendar year**
  - If can show “good cause” may apply for a 30 day extension
- **First reporting due no later than January 31, 2016**
- **Electronic Delivery is possible**
  - Follows electronic distribution rules
  - Must have affirmative consent specific to this form



# ALE REPORTING FORMS

# IRC §6056 REPORTING

## Forms 1094-C & 1095-C

- Used by **all ALEs** during the year being reported on top-half of Form 1095-C
- Self-funded plan **ALEs** will report for both §6055 and §6056 using the bottom half of Form 1095-C for §6055 reporting.
- Mid-size employers (those eligible for 2015 transition relief) are **not** exempt from reporting.

# IRS FORM 1094-C ALE TRANSMITTAL

<b>Form 1094-C</b> <small>Department of the Treasury Internal Revenue Service</small>	<b>Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns</b> <small>► Information about Form 1094-C and its separate instructions is at <a href="http://www.irs.gov/f1094c">www.irs.gov/f1094c</a>.</small>	<input type="checkbox"/> CORRECTED	120115 <small>OMB No. 1545-2251</small> <b>2014</b>
<b>Part I Applicable Large Employer Member (ALE Member)</b>			
1 Name of ALE Member (Employer)		2 Employer identification number (EIN)	
3 Street address (including room or suite no.)			
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	
7 Name of person to contact		8 Contact telephone number	
9 Name of Designated Government Entity (only if applicable)		10 Employer identification number (EIN)	
11 Street address (including room or suite no.)			
12 City or town	13 State or province	14 Country and ZIP or foreign postal code	
15 Name of person to contact		16 Contact telephone number	
<b>For Official Use Only</b> <div style="border: 2px solid black; width: 150px; height: 40px; margin: 5px auto;"></div>			
17 Reserved			
18 Total number of Forms 1095-C submitted with this transmittal			
<b>Part II ALE Member Information</b>			
19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions			
20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member			
21 Is ALE Member a member of an Aggregated ALE Group? <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>			
If "No," do not complete Part IV.			
22 Certifications of Eligibility (select all that apply):			
<input type="checkbox"/> A. Qualifying Offer Method <input type="checkbox"/> B. Qualifying Offer Method Transition Relief <input type="checkbox"/> C. Section 4980H Transition Relief <input type="checkbox"/> D. 98% Offer Method			
<small>Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.</small>			
Signature		Title	
Date		Date	

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 61571A Form 1094-C (2014)

# IRS FORM 1094-C

**22 Certifications of Eligibility (select all that apply):**

☐ **A. Qualifying Offer Method**    ☐ **B. Qualifying Offer Method Transition Relief**    ☐ **C. Section 4980H Transition Relief**    ☐ **D. 98% Offer Method**

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61571A

Form **1094-C** (2014)

## Line 22 – Certifications of Eligibility

- Qualifying Offer Method
- Qualifying Offer Method Transition Relief
- Section 4980H Transition Relief
- 98% Offer Method

# SECTION 4980H

## TRANSITION RELIEF

### **ALEs with 50-99 full-time equivalent employees:**

- **To be eligible ALE must:**
  - Average between 50-99 FTEs during 2014
  - Maintain workforce size and hours
  - If offered, maintain previously offered health coverage
  - No material reduction in plan offered
  - No change in plan year after February 9, 2014 to start at a later date

# SECTION 4980H

## TRANSITION RELIEF

### **ALEs with 100 or more Full Time Equivalent employees:**

- if Minimum Essential Coverage is offered to at least 70% of Full-time Employees and their dependents.
- Applies to:
  - ALEs with 100+ Full Time Equivalent employees
  - ALEs with 50-99 Full Time Equivalent employees who were not eligible for the prior transition relief.



# IRS FORM 1094-C

## PAGE 2

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Page 2

Form 1094-C (2014)

### Part III ALE Member Information—Monthly

		(a) Minimum Essential Coverage Offer Indicator		(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
		Yes	No				
23	All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24	Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25	Feb	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
26	Mar	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
27	Apr	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
28	May	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
29	June	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
30	July	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
31	Aug	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
32	Sept	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
33	Oct	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
34	Nov	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
35	Dec	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

# DATA NEEDED TO DETERMINE FULL-TIME

*Hours worked and hours not worked for which the employee was entitled to pay (i.e. paid vacation)*

Rehire and break-in-service rules

- Hire date
- Termination date
- Rehire date

If using Look Back Measurement Method

- FMLA
- USERRA
- Jury Duty

# IRS FORM 1094-C

## PAGE 3

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Page 3

Form 1094-C (2014)

### Part IV Other ALE Members of Aggregated ALE Group

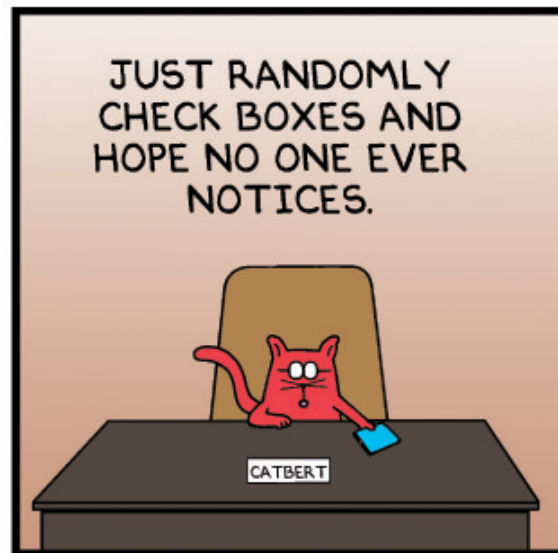
Enter the names and EINs of Other ALE Members of the Aggregated ALE Group (who were members at any time during the calendar year).

Name		EIN	Name		EIN
36			51		
37			52		
38			53		
39			54		
40			55		
41			56		
42			57		
43			58		
44			59		
45			60		
46			61		
47			62		
48			63		
49			64		
50			65		

Form 1094-C (2014)

# IRS FORM 1095-C NOTICE TO FULL-TIME EMPLOYEES

## CATBERT: EVIL DIRECTOR OF HUMAN RESOURCES



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# IRS FORM 1095-C NOTICE TO FULL-TIME EMPLOYEES

Form **1095-C**

Department of the Treasury  
Internal Revenue Service

## Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at [www.irs.gov/1095c](http://www.irs.gov/1095c).

☐ VOID

☐ CORRECTED

600115

OMB No. 1545-2251

**2014**

### Part I Employee

1 Name of employee		2 Social security number (SSN)		7 Name of employer			8 Employer identification number (EIN)				
3 Street address (including apartment no.)				9 Street address (including room or suite no.)				10 Contact telephone number			
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code	

### Part II Employee Offer and Coverage

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

### Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual. ☐

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## A decorative graphic in the bottom right corner consisting of a grid of colored squares in shades of blue, dark blue, and white.



# REPORTING PENALTIES

**Penalties may be applicable;**

- **Failure to file a correct/complete return**
- **Failure to furnish a complete/correct statement to individuals in a timely manner.**
  - Up to \$250 per return – maximum of \$3 million
  - If failure is due to reasonable cause, a waiver may be available
  - Only for incomplete or incorrect information
  - Penalties are reduced if the corrected return is filed within 30 days of the due date
  - Limited relief for returns/statements in 2016



# IRS NOTIFICATION OF SHARED RESPONSIBILITY PENALTY

**The IRS will notify an ALE of any potential liability and provide an opportunity to respond before the liability is assessed.**

- Notification will occur following both 6056 reporting by the employer and the employee filing their individual tax return.

**If a penalty is owed, a Notice and Demand for Payment is issued.**



# SHARED RESPONSIBILITY PENALTY CALCULATION

- Applied on a monthly basis
- IRS assesses the penalties based on the information reported
- Penalty amounts may be adjusted for inflation

# QUESTIONS?

*The information herein should not be construed as legal or tax advice in any way. Regulations, guidance and legal opinions continue to change. The preparer has gathered public information and has attempted to present it in an easily readable and understandable format. Situations vary, technical corrections and future guidance may vary from what is discussed in the presentation. This is meant for informational content only. The presenter makes no warranty of any kind concerning this information. You should seek the advice of your attorney or tax advisor for additional or specific information.*

*This presentation is not to be duplicated or distributed.*

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