

New ACA Employer Reporting Requirements Effective Now

Applicable Large Employers Need to Act | Reports Due in 2016 for 2015

Beginning with the 2015 calendar year, the Affordable Care Act (ACA) enacted two similar but separate information reporting requirements that call for various entities and employers to file additional forms with the Internal Revenue Service (IRS). The two reporting requirements were added to the IRS Code as Sections 6055 and 6056 and are satisfied by filing Forms 1095-B and 1095-C, along with the respective transmittal Forms 1094.

Not every employer will be impacted by these new reporting requirements. Employers with 49 or fewer full-time and full-time equivalent employees during 2014 are not subject in 2015 to ACA's requirement to provide health insurance or these new reporting requirements. Those smaller employers are only subject to reporting if they sponsor a self-insured group health plan for their employees.

Applicable Large Employers (ALEs) are those employers with 50 or more full-time and full-time equivalent employees in the previous year (2014 for 2015 application). They are subject to the new reporting requirements for 2015, and ALEs with 100 or more full-time and full-time equivalent employees are required to provide health insurance to their employees in 2015 or face a penalty. However, ALEs with 50 to 99 full-time and full-time equivalent employees in 2014 are not required to provide health insurance to their employees until 2016.

For 2015 reporting, Forms 1094 and 1095, both "B" and "C," must be filed with the IRS on or before May 31, 2016, (June 30, 2016, if the Plan/Employer choose to file the forms electronically). However, a copy of Forms 1095-B and 1095-C must be distributed to the participant no later than March 31, 2016.

The primary purpose of these reporting requirements is to help the IRS enforce three fundamental pillars of the ACA. These are the individual mandate, i.e., the requirement for individuals to have minimum essential health insurance coverage or pay the individual shared responsibility penalty; the employer mandate, i.e., the requirement for ALEs to offer minimum essential coverage that is affordable and provides minimum value to substantially all full-time employees and their dependents; and to identify individuals ineligible for the premium tax credit because

they have been offered affordable employer-sponsored coverage that provides minimum value. The ACA defines full-time as employed 30 or more hours per week or 130 or more hours per month.

Section 6055 – Health Insurance Issuer Reporting Requirements

Code Section 6055 requires every provider of "minimum essential coverage" (MEC) to report coverage information by filing Forms 1094-B and 1095-B with the IRS and send a copy to each primary individual listed on the 1095-B Forms. For a fully insured group health plan, the health insurance issuer or carrier, not the employer, must file the forms. In contrast, for a self-insured group health plan, the plan sponsor (generally the employer), is required to report health insurance coverage for employees and their dependents and/or spouses. Small employers, those with fewer than 50 full-time equivalent employees, who sponsor a self-insured group health plan would report coverages on Form 1095-B. ALEs, those with 50 or more full-time equivalent employees in 2014, who sponsor a self-insured group health plan in 2015 would report coverage on Part III of Form 1095-C.



In the case of a multi-employer self-insured group health plan, the plan sponsor is responsible for Section 6055 reporting as well as preparing and submitting Forms 1094-B and 1095-B for individuals who received coverage through the plan.

Generally, the "B Forms" require the Insurer to provide each participant's name, Social Security number and address; the Plan's contact information; the names and Social Security numbers or dates of birth of any and all dependents or spouses who received coverage through the Plan; and the months in which coverage was provided.

Continued on back

Section 6056 – Applicable Large Employer Reporting Requirements

Section 6056 requires ALEs, i.e., those that employ 50 or more full-time equivalent employees) to file Forms 1094-C and 1095-C with the IRS on the health coverage provided by the ALE to its full-time employees and to provide statements to those employees about the health coverage that the ALE offered during the previous calendar year, i.e., a copy of Form 1095-C. Determination if an employer is an ALE for 2015 is based on employee counts in 2014 and on employee counts in 2015 for 2016 calendar year reporting requirements.

If you determine that you are an ALE and Section 6056 does apply to you, you are required to submit two forms to the IRS. The first is form 1094-C, which essentially serves as a “cover sheet” for all of the Form 1095-Cs that you will submit to the IRS and contains the following:

- Name, address, and employer identification number (EIN) of the ALE.
- Name and telephone number of the ALE’s contact person.
- Name and EIN of other ALE members of the aggregated ALE group of which the filing employer is a member (if applicable).
- The total number of Forms 1095-C submitted with the Form 1094-C.
- Certification, by calendar month, as to whether the ALE offered its full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan, and/or is deemed to have offered minimum essential coverage under various transition relief provisions applicable to the 2015 year.
- Number of full-time employees and total employees for each month during the calendar year.
- Certification as to whether the employer meets one of the simplified reporting methods (for any one or more of its employees).

A Form 1095-C must be prepared and submitted for each individual who was considered a full-time employee in any month during the previous calendar year. Form 1095-C requires all ALEs to provide the following general information:

- Name, address, EIN, and contact telephone number of the ALE.

- Name, address, and SSN of each full-time employee employed during the calendar year and the months, if any, during which the employee was covered under the employer-sponsored plan.
- For each calendar month, each full-time employee’s share of the lowest-cost self-only monthly premium for coverage providing minimum value offered to that full-time employee.
- Months during the calendar year for which plan coverage was available.
- Months, if any, that the employer was not subject to the employer shared responsibility penalty with respect to the employee, and the reason for such relief. Briefly, these categories are as follows:
 - The employee was not employed or was not a full-time employee.
 - The employee enrolled in the minimum essential coverage offered.
 - The employee was in a limited non-assessment period (generally a period, such as a waiting period) during which an ALE will not be subject to an assessable payment under all or part of the shared responsibility provisions with respect to a full-time employee, regardless of whether that employee is offered health coverage during that period.
 - Non-calendar year transition relief applied to the employee.
 - The employer met one of the affordability safe harbors with respect to this employee.

The instructions for Forms 1094-C and 1095-C are very detailed, and require careful review to ensure that they are properly completed and filed. Please remember the ALE is responsible (and liable) for preparing and filing Forms 1094-C and 1095-C.

Reporting Penalties

Plan sponsors and/or employers that fail to file required Forms 1095-B or 1095-C timely with the IRS, including all required information or correct information on the returns, are subject to penalties ranging from \$50-\$250 per Form 1095 and penalties ranging from \$50-\$250 per Form 1095 for failure to furnish Forms to employees. The IRS will not assess penalties for incorrect or incomplete information reported in 2016, for the 2015 calendar year, including SSNs or dates of birth, if the reporting entity makes a good faith effort to comply. However, this relief does not apply to a failure to file timely or if no effort is made to comply.

Which Forms Apply to Me?

Who must generate a form?		What forms are required?	When must the employer provide information?
Applicable Large Employer (>50 FTEs)	Self-insured	1095-C to each EE 1094-C to the IRS	March 31 May 31 (June 30 if filing electronically) Employers with >250 EEs must file electronically
	Fully insured	1095-C to each EE (no Part III) 1094-C to the IRS Forms provided by carrier 1095-B to each EE 1094-B to the IRS	March 31 May 31 (June 30 if filing electronically) Employers with >250 EEs must file electronically
Small Employer (<50 FTEs)	Self-insured	1095-B to each EE 1094-B to the IRS	March 31 May 31 (June 30 if filing electronically)
	Fully insured	Forms provided by carrier 1095-B to each EE 1094-B to the IRS	

Contact your Yeo & Yeo professional or the local Yeo & Yeo office for more information.