



# The ACA's Reporting Requirements

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# Agenda

- IRS Reporting Forms
- Requirements for B-series forms
- Requirements for C-series forms
  - Form 1094-C transmittal
  - Form 1095-C statement
  - Simplified reporting
- Penalties
- Questions



## Getting Ready

- ACA imposes complex reporting requirements in order for the government to track compliance with the individual and employer mandates, and determine eligibility for premium tax credits
- Employers should determine which reporting requirements apply based on their **size** and **plan type** (insured, self-insured, or none at all), and which internal systems house the information necessary for reporting
  - May involve payroll systems, time & attendance
  - Will generally need to track FT/PT status on a monthly basis, offers of coverage, premiums, and controlled group status



# Overview of Reporting Requirements

- Code Section 6055 (insurers and self-insured plans)
  - Employers with self-insured plans must report on all covered employees to comply with Code Section 6055
- Code Section 6056 (“applicable large employers” - ALE)
  - “Applicable large employers” = employers that employed an average of **at least 50 full-time employees** (including full-time equivalents or "FTEs") on business days during the preceding calendar year.
  - ALEs are only required to report full-time employees under Code Section 6056
  - An employee is full-time for a calendar month if he or she averages at least 30 hours of service per week (or 130 hours per month)



## Overview of Reporting Requirements – Controlled Groups

- “Applicable large employer” status is determined on a “controlled group basis”—this means that companies that have a common owner or that are otherwise related are generally combined and treated as a single employer
- Thus, Form 1094-C (for applicable large employers) requires disclosure of controlled group status
- If two or more related companies (i.e., parent-subsidary, brother-sister, or affiliated service controlled groups) together constitute an “applicable large employer” each employer member will need to report, using its own employer identification number (EIN)
- **Talk to ERISA counsel if analysis is needed**



# Overview of Reporting Requirements – Deadlines

- First mandatory reporting in 1<sup>st</sup> Quarter 2016 for CY 2015
  - February 1, 2016 – Employee Statements (1/31 is a Sunday)
  - February 29, 2016 – IRS Statements due if filing by paper
  - March 31, 2016 – IRS Statements due if filing electronically
    - Required for employers filing 250 or more forms
- Transition Relief
  - Reporting **includes employers with 50-99 FTEs** who are exempt from the pay-or-play mandate in 2015
  - Simplified reporting options for applicable large employers offering minimum value coverage that is highly affordable



## Forms 1094-B and 1095-B (Insurers & Self-Insured Plans)

- Required by Code § 6055
  - Used by the IRS to track individual mandate compliance
  - Small Employers (<50 full-time equivalents (FTEs)) offering **fully-insured** plans:
    - No filing requirement—carriers will provide/file
  - Small Employers (<50 FTEs) sponsoring **self-insured** plans file using 1094-B and 1095-B for covered participants
    - [1095-B](#) is provided to participants (and sent to IRS)
    - [1094-B](#) is the transmittal form sent to IRS
  - Large Employers (≥50 FTEs) file using 1094-C and 1095-C

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).

1115

OMB No. 1545-2252

**2015**

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

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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. 61570P

Form **1094-B** (2015)

Form **1095-B**Department of the Treasury  
Internal Revenue Service**Health Coverage**☐ VOID

OMB No. 1545-2252

☐ CORRECTED**2015**► Information about Form 1095-B and its separate instructions is at [www.irs.gov/form1095b](http://www.irs.gov/form1095b).**Part I Responsible Individual**

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** (see instructions)

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** (see instructions)

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"/>	<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"/>	<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"/>	<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"/>	<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"/>	<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"/>	<input type="checkbox"/>

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

Cat. No. 60704B

Form **1095-B** (2015)



## Form 1095-B – Responsible Individual (Policy Holder) Information

- May be the primary insured employee, COBRA qualified beneficiary, retiree, parent, or other person enrolling individuals in coverage
- Do not enter the name of a business or business owner that is the policy holder for its employees



## Form 1095-B – Responsible Individual Information (Cont'd)

- TIN reporting is mandatory, but a 6055 reporting entity can truncate TINs on individual statements (truncation is not allowed on forms filed with the IRS)
- Can use a date of birth in lieu of TIN only if the TIN is not available after “reasonable efforts” to obtain it
- No need to report TINs for individuals not enrolled
- Must enter mailing address of responsible individual

# Forms 1094-C and 1095-C (ALEs)

- Required by Code § 6056 Reporting
  - Applies to **Applicable Large Employers (ALEs)**
  - Used by the IRS to track “pay-or-play” and to determine individuals’ eligibility for premium tax credits
- 1095-C is provided to full-time employees (and sent to IRS)
  - Provided to full-time employees by February 1, 2016 (1/31 is a Sunday)
  - Electronic delivery is permissible with employee consent
- 1094-C is the transmittal form sent to IRS
  - Filed with IRS by February 29 (March 31 if electronic)
- Fully-insured ALEs: Complete top half of the form (Parts I and II)
- Self-insured ALEs: Complete whole form (Parts I, II and III)



## Forms 1094-C and 1095-C – General Reporting Method

- Full Reporting for all full-time employees
- Report on a month-by-month basis:
  - Lowest cost monthly premium for self-only minimum value coverage
  - To whom was coverage offered (employee, spouse, dependents?)
  - Indicator codes will be used to report certain other information
- Employers filing **250 or more** Forms 1095-C **must** file the forms electronically (including Form 1094-C)

# Nuts and Bolts of Form 1094-C

- Transmittal Form to the IRS
  - Provides a summary to the IRS of aggregate employer-level data
  - Discloses any Transition Relief employer is claiming
  - Essentially a cover page to Forms 1095-C that are sent to the IRS
- What information is required?
  - Company information, including Controlled Group information
  - Information about whether an offer of coverage was made to 70% of FT employees and their dependents (95% starting in 2016)
  - Total number of Forms 1095-C submitted/issued to employees
  - Full-time employee counts by month (unless a certain alternative method of reporting is being utilized)
  - Total employee counts by month

Form **1094-C**Department of the Treasury  
Internal Revenue Service**Transmittal of Employer-Provided Health Insurance Offer and  
Coverage Information Returns**► Information about Form 1094-C and its separate instructions is at [www.irs.gov/form1094c](http://www.irs.gov/form1094c)☐ CORRECTED120116  
OMB No. 1545-2251**2015****Part I Applicable Large Employer Member (ALE Member)**

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	

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18 Total number of Forms 1095-C submitted with this transmittal . . . . . ►

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions . . . . . ☐

**Part II ALE Member Information**

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? . . . . . ☐ Yes ☐ No

If "No," do not complete Part IV.

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** (2015)

**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"/>	

**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	

## Nuts and Bolts of Form 1095-C

- The employee statement – provided to FT employees to use when filing their tax returns
  - **Copies also filed with the IRS**, along with transmittal 1094-C
- Reports information about employer's offer of coverage, if any, and any safe harbors or other relief relied upon by the employer
- Helps IRS determine if employer owes a pay-or-play penalty and whether employees are eligible for premium tax credits



## Nuts and Bolts of Form 1095-C (Cont'd)

- What information is required?
  - Which employees are full-time in each month (unless a certain alternative method of reporting is being utilized)
  - Identifying information for employer and employee such as name and address
  - Information about the health coverage offered by month, if any
  - The employee's share of the monthly premium for lowest-cost self-only minimum value coverage (unless a certain alternative method of reporting is being utilized)
  - Months the employee was enrolled in your coverage
  - Months the employer met an affordability safe harbor or other relief that applies with respect to an employee for a month
  - If the employer offers a self-insured plan, information about the covered individuals enrolled in the plan, by month

# Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at [www.irs.gov/form1095c](http://www.irs.gov/form1095c)

☐ VOID  
☐ CORRECTED

600116  
OMB No. 1545-2251  
**2015**

## 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

Plan Start Month (Enter 2-digit number):

	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"/>

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

Cat. No. 60705M

Form **1095-C** (2015)



## Form 1095-C: Line 14 Indicator Codes to Report Offers of Coverage

- **1A – Qualifying Offer (discussed later)**
- **1B – Minimum essential coverage (MEC) providing minimum value (MV) offered to employee only**
- **1C – MEC providing MV offered to employee and at least MEC offered to dependents (not spouse)**
- **1D – MEC providing MV offered to employee and at least MEC offered to spouse (not dependents)**
- **1E – MEC providing MV offered to employee and at least MEC offered to dependents and spouse**
- **1F – MEC NOT providing MV offered to employee; employee and spouse or dependents; or employee, spouse and dependents**
- **1G – Offer of coverage to employee who was not a FT employee for any month and who enrolled in self-insured coverage**
- **1H – No offer of coverage**
- **1I – Qualifying Offer Transition Relief 2015: Employee (and spouse or dependents) received no offer of coverage; received an offer that is not a qualifying offer; or received a qualifying offer for less than 12 months.**



## Form 1095-C: Line 14 Indicator Codes to Report Offers of Coverage (Cont'd)

- Special COBRA Rules
  - In May 2015, the IRS issued FAQs providing special rules for COBRA offers
  - If the offer of COBRA is based on a termination of employment, code 1H is used
  - If the offer of COBRA is based on a reduction in hours, codes 1B-1E are used
  - The employee-only COBRA premium must be inserted in Line 15
  - Separate reporting for qualified beneficiaries with independent right to elect COBRA coverage



## Form 1095-C: Line 15 (Cost of Coverage)

- Complete line 15 only if code 1B, 1C, 1D, or 1E is entered on line 14 either in the “All 12 Months” box or in any of the monthly boxes
- Note that this amount may not be the amount the employee is paying for the coverage, for example, if the employee chose to enroll in more expensive coverage such as family coverage



## Form 1095-C: Line 16 Indicator Codes to Report Safe Harbors

- In some situations, more than one indicator code could apply to the same employee in the same month
- For example, an employee could be enrolled in health coverage for a particular month during which he or she is not a FT employee; however, only one code may be used for a particular calendar month
- For any month in which an employee enrolled in MEC, use **Code 2C** to report enrollment instead of any other indicator code that could also apply
- For an employee who did not enroll in health coverage, instructions contain specific ordering rules for which code to use



## Form 1095-C: Line 16 Indicator Codes to Report Safe Harbors (Cont'd)

- **2A** – Employee not employed during the month
- **2B** – Employee not FT employee; not enrolled
  - May also use for FT employee that terminated during the month
- **2C** – Employee enrolled in coverage offered
  - Use regardless of whether any other Code applies (except if Code 1G is entered in “All 12 Months Box” of Line 14)
- **2D** – Employee in a Limited Non-Assessment Period
  - For example, initial measurement period or waiting period
- **2E** – Use for any month for which the multiemployer interim relief applies for the employee



## Form 1095-C: Line 16 Indicator Codes to Report Safe Harbors (Cont'd)

- **2F** – W-2 safe harbor applies for the year
  - Must be used in all months of the year during which employee was offered coverage
- **2G** – Federal Poverty Line safe harbor applies
- **2H** – Rate of Pay safe harbor applies
- **2I** – Non-calendar year transition relief applies
- Expected for 2016 reporting – new codes for conditional offers to spouses



## Limited Non-Assessment Period (LNAP)

- An employer need not file a Form 1095-C for an individual who for each month of a calendar year is either not an employee or is an employee in an LNAP (unless the employee enrolled in self-insured employer-sponsored coverage during the LNAP)
  - Examples of LNAP's include waiting periods and initial measurement periods (i.e., an employee who terminates during an initial measurement or waiting period will not receive a Form 1095-C)



## Plans Offering Coverage to Non-Employees

- Employers that have non-employees who enroll in their self-insured health plan **may** (but are generally not required to) use Forms 1094-B and 1095-B, rather than Form 1095-C, Part III, to report coverage for those individuals and other family members
- Non-Employees = non-employee directors, retirees (after year of retirement), or former employees on COBRA (after year of termination)
  - Reporting generally not required for retirees with Medicare as primary

## Plans Offering Spousal Coverage

- For reporting purposes, an offer to a spouse includes an offer to a spouse that is subject to a reasonable, objective condition, regardless of whether the spouse meets the reasonable, objective condition
- For example, an offer of coverage that is available to a spouse only if the spouse certifies that the spouse does not have access to health coverage from another employer is treated as an offer of coverage to the spouse for reporting purposes
- Instructions for 2016 reporting are expected to be revised to include new codes for conditional offers



## “Simplified” Reporting – Qualifying Offer

- A **Qualifying Offer** is generally an offer of MEC providing minimum value to the FT employee that costs the FT employee no more than 9.5% of the FPL (~\$1,100 per year in 2014 & 2015) for single coverage
  - Offer must include offer of MEC to spouse and dependents (if any)
  - Employer not required to contribute toward the cost of spouse/dependent coverage



## “Simplified” Reporting – Qualifying Offer (Cont’d)

- Employer reporting for employees who receive a Qualifying Offer for the entire calendar year is “simplified”
  - Note: **Solely for 2015**, simplified reporting may also be available for employers that (among other things) certify they made a qualifying offer for one or more months of calendar year 2015 to at least 95% of their full-time employees
- Employers making a Qualifying Offer will only need to report names, addresses, and tax IDs for employees who receive Qualifying Offers for the entire year, along with Indicator Code to denote Qualifying Offer
  - Employees with Qualifying Offers either receive a copy of Form 1095-C or may be provided an “alternative statement” informing them that the family is ineligible for a premium credit that year



## Alternative Statement for Qualifying Offers

- If a FT employee (A) is not covered under a self-insured plan, and (B) receives a Qualifying Offer for the entire calendar year (or receives a qualifying offer for less than 12 months, but the employer qualifies for 2015 transition relief), the employer may provide an “alternative statement” in lieu of Form 1095-C
- **Limited usefulness, as employer must still provide 1095-C to IRS**
- For a FT employee who received a Qualifying Offer and enrolled in self-insured coverage, the employer must furnish a copy of the Form 1095-C and **may not** use the “alternative statement”



## Content of Alternative Statement for Qualifying Offers

- Employer name, address, and EIN
- Contact name and telephone number where the employee may receive information about the offer of coverage (if any) and the Form 1095-C filed with the IRS for that employee
- A statement indicating that, for all 12 months of the calendar year, the employee and his or her spouse and dependents, if any, received a Qualifying Offer and therefore are not eligible for a premium tax credit (or that the employee and his or her spouse and dependents, if any, may be eligible for a premium tax credit for one or more months of 2015, for employers qualifying for transition relief)
- A statement directing the employee to see Pub. 974, *Premium Tax Credit (PTC)*, for more information on eligibility for the premium tax credit



## “Simplified” Reporting – 98% Method

- “Option to Report without Separate Identification of FT Employees”
- Employers that offer affordable, minimum value coverage to at least **98% of employees** included on the Form 1095-C (and MEC to their dependents) may certify the offering without identifying which employees are full-time
- All the 98% Method does is allow the employer to report on an employee without identifying FT/PT status
  - Employers are also not required to complete the FT employee count in Part III, column (b) of Form 1094-C



## “Simplified” Reporting – 98% Method (Cont’d)

- When might the 98% Method be useful?
- When an employer with a self-insured plan offers coverage to FT and PT employees and does not want to have to identify FT/PT status when reporting covered employees on 1095-C



## Multiemployer Reporting

- Multiemployer plans may facilitate filing and furnishing returns for applicable large employers
- Liability and penalties for section 6056 reporting is not transferred to the multiemployer plan
- Liability for the pay-or-play provisions remains with the employer



## Interim Guidance Regarding Multiemployer Arrangements

- An employer is treated as offering health coverage to an employee if the employer is required by a collective bargaining agreement to make contributions for that employee to a multiemployer plan that offers, to individuals (and their dependents) who satisfy the plan's eligibility conditions, health coverage that is affordable and provides minimum value
- Employers still must track full-time status due to Part III(b) of Form 1094-C



## Reporting Penalties

- ACA reporting is subject to the same penalties as other information reports (e.g., W-2, 1099)
- Recent legislation has increased the penalties:

Reason for Penalty	Standard Penalty	Maximum Penalty
Forms filed or provided late, but within 30 days	\$50 per report	\$500,000
Forms filed or provided late, but by 8/1	\$100 per report	\$1,500,000
Forms filed or provided late, but after 8/1, or not filed at all	\$250 per report	\$3,000,000

- Lower penalties are applicable to employers with gross receipts of \$5,000,000 or less

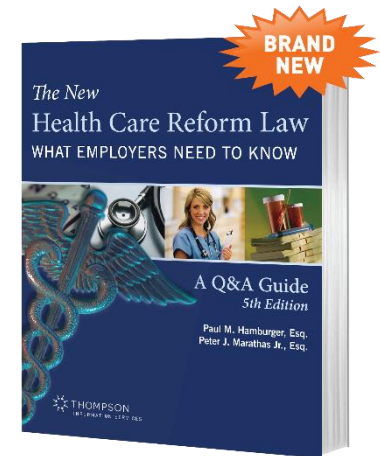


## Reporting Penalty Relief

- Penalty Relief for 2015
- Employers that show a good faith effort in complying with the information reporting requirements under section 6056 will not be liable for any accuracy-related penalties
- The reasonable cause standards do apply under normal rules for those that fail to meet the timely reporting requirements

# Questions?

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Damian represents public and private companies on matters related to employee benefits and executive compensation including compliance with ERISA, tax, corporate and securities laws and regulations affecting employee benefit plans, programs and arrangements. He concentrates on advising clients with planning and compliance matters related to the Patient Protection and Affordable Care Act of 2010 (Health Care Reform). Damian also assists clients with matters relating to all other aspects of compensation and employee benefit programs, including the design, implementation, administration and funding of non-qualified retirement plans, equity based compensation plans and executive compensation arrangements.

Prior to joining Proskauer, Damian worked as an associate at an international law firm based in Washington, D.C., where he advised public and private companies on all aspects of employee benefits and executive compensation law.

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# The ACA's Reporting Requirements

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