

ACA Reporting Requirements



Source Material

The information presented is based on the final guidance issued 3/10/2014 as published in the Federal Register (Document Citation# 79 FR 13231) and model forms published 7/24/2014

The screenshot shows the Federal Register website. The main heading is "Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans". Below the heading, it states "A Rule by the Internal Revenue Service on 03/10/2014". The "ACTION" section is labeled "Final Regulations." The "SUMMARY" section begins with "This document contains final regulations providing guidance to employers that are subject to the information reporting requirements under section 6056 of the Internal Revenue Code (Code), enacted by the Affordable Care Act (generally employers with at least 50 full-time employees, including full-time equivalent employees). Section 6056 requires those employers to report to the IRS information about the health care coverage, if any, they offered to full-time employees, in order to administer the employer shared responsibility provisions of section 4980H of the Code. Section 6056 also requires those employers to furnish related statements to employees that employees may use to determine whether, for each month of the calendar year, they may claim on their individual tax returns a premium tax credit under section 36B (premium tax credit). The regulations provide for a general reporting method and alternative reporting methods designed to simplify and reduce the cost of reporting for employers subject to the information reporting..."

<https://www.federalregister.gov/articles/2014/03/10/2014-05050/information-reporting-by-applicable-large-employers-on-health-insurance-coverage-offered-under>

The screenshot shows a draft document from the IRS. The title is "Caution: **DRAFT—NOT FOR FILING**". The text reads: "This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information as a courtesy. **Do not file draft forms.** Also, do not rely on draft instructions and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released. Drafts of instructions and publications usually have at least some changes before being officially released." It then provides links for draft forms, download forms, and form publications. It also lists information for various forms like 1040, W-2, 17, W-4, 8863, and Schedule A. The document concludes with a note about submitting comments on draft or final forms.

<http://www.irs.gov/pub/irs-dft/f1095c--dft.pdf>



Why is Reporting Required?

ACA reporting duties are spelled out in sections 6055 & 6056

Section 6055 provides the data required by administrators to manage the **individual mandate** (ensuring that every American is covered by an insurance plan)

Section 6056 provides the data required by administrators to manage the **shared responsibility / employer mandate** provision of the affordable care act.



The Cause of Delay

In July of 2013, the lack of clear reporting guidelines delayed the implementation of the penalty phase of the ACA by a year.

Applicable large employers must now comply with the shared responsibility provisions for the 2015 plan year.

Reporting is hence **required** for 2015 plan years and is due in 2016.

Reporting is optional for 2014 plan years.



What is Filed Under Section 6055 & 6056?

Section 6055

Section 6055 reporting is required by “providers of coverage”. It details all the individuals covered by that provider and which months in the calendar year they were covered. This information is instrumental to the IRS to administer the individual mandate.

“Providers of coverage” includes private insurers (think BCBS, Kaiser etc.) public programs (such as VA, Medicare and SCHIP programs).

Employers that self-insure are **also** considered “providers of coverage”.

As a convenience to employers that self –insure, the information required by this section can be combined with the reporting required under section 6056.



Section 6056

Section 6056 reporting has a number of objectives:

- It provides the IRS with the data needed to administer the employer shared responsibility provisions of the ACA
- It provides employees with new data needed to determine eligibility for premium tax credits when purchasing exchange coverage
- For self-insured employers, the associated return can also include the “who’s covered” information otherwise required by section 6055



Section 6056

Section 6056 reporting introduces two new tax forms to the employer:

- **1095-C** is a new tax document the employer must issue to the employee and file with the IRS outlining details of the coverage offered by the employer, and the status of the employer's offer of coverage to that employee by month.
- This document is unique to each employee (just like a W-2 is)
- This document must be furnished to each employee by January 31 for the previous year.
- Employers issuing more than 250 1095-Cs must file their IRS copies electronically



Section 6056

Section 6056 reporting introduces two new tax forms to the employer:

- **1094-C** is a what is called a “transmittal”. It sums up the information from the individual 1095-C forms (much like the W-3 is a transmittal of all the employer’s form W-2s)
- It also provides employer-specific details such as the number of full-time employees and total employees per month, and also whether the employer is eligible for other relief criteria
- This filing is due to the IRS by March 31 for the previous year’s information



Who Must File?

All applicable large employers (50 or more full-time employees and equivalents employed per month on average in a calendar year) must file forms 1094-C and 1095-C.

This must be done **regardless** of whether the employer offers insurance coverage.

Large employers with between 50 and 100 full-time employees and equivalents that would otherwise not be penalized for 2015 plan years **are still required to file.**



A Look At The Draft Form...

Form 1095-C

Part I Employee			Applicable Large Employer Member (Employer)		
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

Identifying information for the
employee and employer

Form 1095-C

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)													

Identifies if there was an offer of coverage, and if so, whether it is affordable, provides minimum essential coverage, and whether the coverage is for employees only or includes spouse and/or dependents

Form 1095-C

15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-----------------------------------------------------------------------------------------------	----	----	----	----	----	----	----	----	----	----	----	----	----

Shows the monthly plan premium for single coverage in the least expensive plan that provides minimum essential coverage

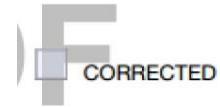
And Now The Transmittal...

Form **1094-C**

Department of the Treasury
Internal Revenue Service

Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

For more information about Form 1094-C and its separate instructions, go to www.irs.gov/1094c.



120115
OMB No. XXXX-XXXX

© **14**

Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer)		2 Employer identification number (EIN)	
3 Street address (S>cluding room e< suite n>)			
4 City or town	5 State or province	6 Country and 21P or foreign postal code	
7 Name of person to contact		8 Contact number	
9 Name of Designated Government Entity (only if applicable)		10 Business identification number (BIN)	
11 Street address (S>cluding room e< suite n>)			
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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r-1 |||||r-J:]

17 Reserved 0

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

1@111 ALE Member Information

19 Is this the authoritative transmittal for this ALE Member? If "YES," check the box and continue. If "No," see instructions. 0

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? **D**ves
If "No," do not complete Part IV.

22 Certifications of Eligibility (select all that apply):

- J** A. Qualifying Offer Method
- J** B. Qualifying Offer Method Transition Relief
- D** C. Section 4980H Transition Relief
- D** 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

Date

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
17 Reserved <input type="checkbox"/>		
18 Total number of Forms 1095-C submitted with this transmittal <input type="text"/>		

July 24, 2014
DO NOT FILE

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Identifying information for the employer

Identifying information for employer groups

Part II ALE Member Information

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? Yes No
If "No," do not complete Part IV.

Certifications of eligibility

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

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"/>	

Full-time and total employee counts by month for the ALE member

Form 1094-C (2014)

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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			
49			
50			

Listing of related companies in the aggregated employer group