

Reporting Requirements For Affordable Care Act Mandates Under the Internal Revenue Code

Greater Philadelphia Business Coalition on Health
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Agenda

- Why?
- Who?
- How?
- What?
- When?
- What Happens If?

Why Report?

Reporting to IRS and individuals for compliance with 3 major ACA initiatives

- Individual Mandate
- Employer Mandate
- Qualification for Exchange Subsidy

Why Report?

Individual Mandate requires each individual to maintain Minimum Essential Coverage for

- Self
- Dependents

Section 6055 of the Internal Revenue Code Applies

Why Report?

Employer Mandate requires Applicable Large Employers to

- Offer Minimum Essential Coverage to 95% of Full-time Employees and Dependents
- Offer Affordable coverage providing Minimum Value to Full-time Employees and Dependents

Section 6056 of the Internal Revenue Code applies

Why Report?

Individuals will not qualify for Exchange Subsidy if they are eligible for Minimum Essential Coverage that:

- Is Affordable; and
- Provides Minimum Value

Reporting under section 6056 also addresses this matter

Who Must Report?

Section 6055 applies to health plan providers

- Health insurance carriers (and HMOs)
- Self-funded group health plan sponsor
 - Employer for single employer plan
 - Each employer for multiple employer plan
 - Board or committee for multiemployer plan
 - Union for plan maintained solely by union
 - Otherwise designee or each entity

Who Must Report?

Section 6056 applies to Applicable Large Employers

- ALE members (common law employer) responsible
 - Even if third party engaged to make filing
 - Even if agreement with multiemployer plan to make filing
- Government employer may transfer responsibility to related government entity

Who Must Report:

Summary of employer responsibility for reports

Small employer/insured*	No filing
Small employer/self-insured**	Section 6055
Large employer/insured*	Section 6056
Large employer/self-insured**	Sections 6055 and 6056

* Insurer files under Section 6055

** Variations, for example, for multiemployer plans, may apply

How to Report?

The Section 6055 and 6056 reporting requirements are modeled after Forms W-2

- Reporting involves government filing and disclosure to individuals
- Government filing includes individual information and transmittal information
- Government filing may be made electronically or by paper (if more than 250 forms, must submit electronically)

How to Report?

For Section 6055, reports are made on

- Form 1094-B (transmittal)
- Form 1095-B

For self-funded plan, Applicable Large Employer member does not file these forms, but combines into forms for Section 6056 reporting

How to Report

For Section 6056, reports are made on

- Form 1094-C (transmittal)
- Form 1095-C

Employer with self-funded plan fills out all sections

Employer with fully insured plan does not fill out Part III

How to Report

Exchanges file reports for individual coverage on Form 1095-A

How to Report

Individual reporting

- New line 61 added to Form 1040
- Applicable in 2014

What to Report

The substance of what to report may be found in the forms and instructions

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.

1115

OMB No. 1545-2252

2014

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.

► _____ Title _____ Date _____
Signature

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

Cat. No. 61570P

Form **1094-B** (2014)

Form 1095-B

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.

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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"/>

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

Cat. No. 60704B

Form **1095-B** (2014)

Form 1094-C

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/1094c.

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OMB No. 1545-2251

2014

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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17 Reserved

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

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.

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

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Cat. No. 61571A

Form 1094-C (2014)

Form 1094-C (continued)

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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"/>	

Form 1094-C (2014)

Form 1094-C (continued)

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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)

Form 1095-C

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.

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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"/>

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

Cat. No. 60705M

Form **1095-C** (2014)

What to Report?

Preparations Today – Section 6055

- Is plan insured or self-funded?
- If self-funded, who has data?
- Who will actually prepare reports (and how will they get data)
- What efforts have been made to obtain SSNs
- Is data available month-by-month?

What to Report

Preparations Today – Section 6056

- Size of employer on a controlled group basis
- Who has data and who will prepare the report?
- Is data available month-by-month?
- Is data available employer-by-employer?
- Need for authoritative transmittal
- Will any special rules apply?

What to Report

Preparations Today – Section 6056

- Reporting for full-time employees and others
- Employees are not regarded as full-time during limited non-assessment period
- One report per employee
- Efforts to obtain SSNs

When to Report

Follow Form W-2 as Model

- Statement to Employees by January 31 of following year
- Paper IRS Return by February 28 of following year
- Electronic IRS Return by March 31 of following year

What if there is a failure to report?

Failure to file and failure to furnish statement are each subject to a penalty:

- \$100 per form/statement
- Up to \$1.5 million
- Subject to reductions for correction and other adjustments

Applies under both reporting under sections 6055 and 6056

What if there is a failure to report?

For 2015, no penalty will apply if good faith effort to comply can be demonstrated.