



# Employer's Forum

## ACA Update – 5-12-15

Presented by:

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Gregory & Appel



# Presenter

## Chad Morris

- Vice President – Employee Benefits Consultant
- PPACA Certified through the National Association of Health Underwriters (NAHU)
- Partner with medium to large-sized employers
- Clients in: Higher Education, Public Entity, Manufacturing, Staffing
- Currently serve on the Wellness Council of Indiana Advisory Board



# Agenda

- 2015 Public Marketplace Open Enrollment Results – Year 2
- King vs. Burwell
- Employer ACA Updates
  - Recapping the ACA so far...
  - Employer Reporting Requirements



# 2015 Public Marketplace OE Results – Year 2



The screenshot shows the HealthCare.gov homepage. At the top, the logo "HealthCare.gov" is on the left. To its right are two main navigation tabs: "Individuals & Families" (which is highlighted in a darker blue) and "Small Businesses". Further right are links for "Log in" and "Español". Below these is a dark blue horizontal bar containing navigation links: "Get Coverage", "Change or Update Your Plan", and "Get Answers" with a dropdown arrow. To the right of these links is a search bar with the placeholder text "Search" and a "SEARCH" button. The main content area features a large banner with a background image of a woman holding a baby. The banner text reads: "You can still get 2015 health coverage". Below this, a smaller line of text states: "You can enroll if you have certain life changes — like getting married, having a baby, losing other coverage, or moving — or if you qualify for Medicaid or CHIP". A prominent green button with white text says "SEE IF YOU CAN GET COVERAGE". At the bottom left of the banner, it says "Want a quick overview first?".

HealthCare.gov

Individuals & Families

Small Businesses

Log in

Español

Get Coverage

Change or Update Your Plan

Get Answers ▾

Search

SEARCH

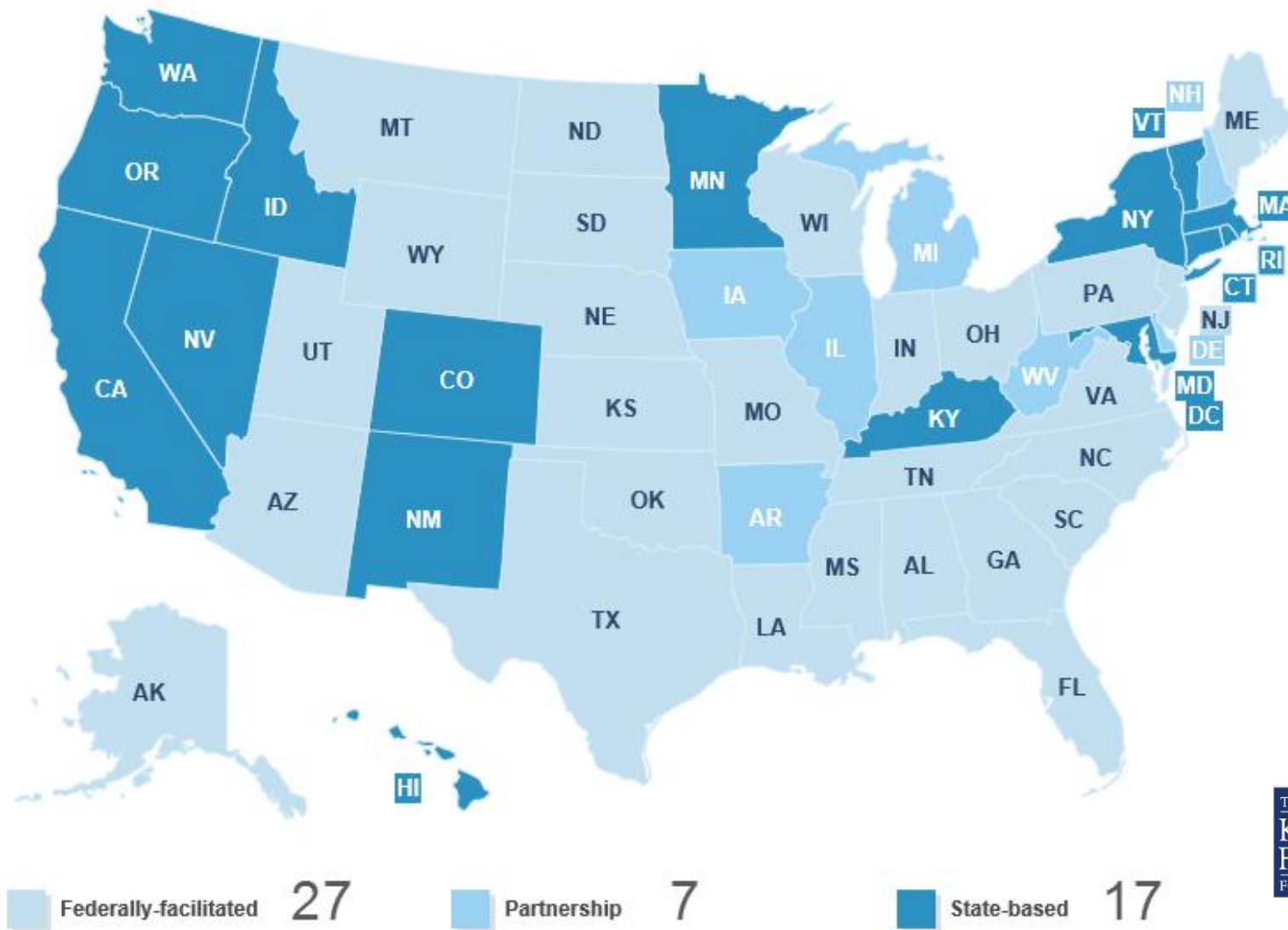
## You can still get 2015 health coverage

You can enroll if you have certain life changes — like getting married, having a baby, losing other coverage, or moving — or if you qualify for Medicaid or CHIP

**SEE IF YOU CAN GET COVERAGE**

Want a quick overview first?

## Marketplace Map – State vs. Federal Marketplaces



# Marketplace Enrollment Periods

## 2015

- Open Enrollment period was from November 15<sup>th</sup>, 2014 through February 15<sup>th</sup>, 2015

- **Special Enrollment Period (SEP):** Available after February 15<sup>th</sup> for those who experience a qualifying life event: Getting married, having a baby, losing other health coverage, etc.



## 2016 – *Date Change*

- Open Enrollment period is from November 1<sup>st</sup>, 2015 through January 31<sup>st</sup>, 2016



# 2015 National Enrollment Numbers

- Nearly 11.7 million Americans selected or were automatically reenrolled into a 2015 health insurance plan through the Health Insurance Marketplace

- Up from over 8.0 million enrolled last year (46.25% increase)

## 37 States using Healthcare.gov platform:

- 8.84 million people selected or were automatically reenrolled
  - 4.6 million (52%) were new customers, 2.2 million were active reenrollees, and 2.0 million were automatic reenrollees
  - Average Monthly Premium before advance premium tax credit: \$364
  - 87% (7.7 million) have selected a plan with financial assistance with an average value of \$263/person/month or about \$3,156.00/person/year.
  - The average advance premium tax credit covers about 72% of the gross individual premium with an average net premium of about \$101 per month or an average annual cost of \$1,212.
  - 69% selected a Silver Marketplace plan (Silver health plans pays approx. 70% of the total cost)
- 1.36 million were determined or assessed eligible for Medicaid/CHIP by the Marketplace

# 2015 Indiana Enrollment Numbers

- 219,185 Hoosiers selected or were automatically reenrolled into a 2015 health insurance plan through the Health Insurance Marketplace
  - Up from 132,423 enrolled last year (65.51% increase)
- Indiana is in the Top 15 in the nation for enrollment at #15
- 109,592 (50%) were new customers, 55,906 were active reenrollees, and 54,663 were automatic reenrollees
  - Average Monthly Premium before advance premium tax credit: \$438 (vs. \$364 Nationally)
  - 87% (190,690) have selected a plan with financial assistance with an average value of \$319/person/month or about \$3,828.00/person/year.
  - The average advance premium tax credit covers about 73% of the gross individual premium with an average net premium of about \$120 per month or an average annual cost of \$1,440.
  - No data available on what type of metallic plan was selected
- 66,539 were determined or assessed eligible for Medicaid/CHIP by the Marketplace



# King vs. Burwell



# Issue and How Did We Get Here?

- What is the issue?
  - If an individual purchases insurance through a federal-run exchange (in the event that the state opts out of settling up its own exchange), can he/she still qualify for a premium tax credit?
  - The Obama administration says **yes**; the King plaintiffs say **no**.
- How did we get here?
  - The language in the ACA says that individuals can get tax credits if the enroll “through an Exchange established by the State.”
    - 34 States currently operate on the federally run marketplace
  - The Obama administration, meanwhile, argues that the law, as a whole, makes clear subsidies should be available for those enrolling in any exchange, whether established by the state or federal government



# What's at Stake?

## A ruling in the favor of the plaintiffs:

- Could lead to the loss of subsidies for those who receive them in 34 states with federal exchanges (if the states don't take action to set up their own exchanges)
  - An estimated 7.5 million\* would be impacted
- Without subsidies, many would not be able afford insurance and would thus not be subject to the Individual Mandate
- Employers in those states would not have employees receiving Federal subsidies and would thus not be subject to the Employer Mandate
- Health insurance policies could become actuarially skewed and subject to unstable underwriting because:
  - The population that would actually be getting coverage would be dramatically smaller and
  - Those most likely to drop coverage would be disproportionately young and healthy

\*Number was estimated by the Kaiser Family Foundation and verified by HHS in March, 2015



# Potential Fixes and Timeline

## Potential Fixes:

- Congress could fix the statute
- Congress could extend the deadline for Federal funding for development of state exchanges
- States could establish exchanges without Federal funding
- States could establish legal exchange but rely on Federal government to run it

## Timeline:

- Supreme Court agreed to take on the case in November, 2014
- Hearings were in March, 2015
- Supreme Court Decision is expected in June, 2015

# Employer ACA Updates



# Recapping ACA so far...





# Affordable Care Act (ACA) Timeline

The timeline below highlights key dates of enactment for major ACA requirements affecting large employers.

2010	2011	2012	2013	2014	2015	2016
<ul style="list-style-type: none"> <li>• ACA passed</li> <li>• Plans determine grandfathered status</li> <li>• Early retiree reinsurance program begins (to 2013)</li> <li>• Phase out of donut hole begins (to 2020)</li> <li>• Taxes on tanning services</li> </ul>	<ul style="list-style-type: none"> <li>• Dependent coverage to age 26</li> <li>• No lifetime dollar limits</li> <li>• Restrictions on annual dollar limits</li> <li>• No pre-existing condition exclusions for children</li> <li>• No reimbursement of over-the-counter (OTC) drugs without prescription</li> <li>• Preventive care covered at 100% in-network</li> <li>• No referrals for OB/GYN, pediatrician, emergency room</li> <li>• Expanded appeals process</li> <li>• Insurer medical loss ratio limits/rebates</li> <li>• Brand drug discounts in donut hole</li> <li>• Taxes on pharmacy manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>• W-2 reporting of plan value</li> <li>• Summary of Benefits and Coverage (for 2013 Open Enrollment)</li> <li>• Women's preventive care covered at 100%</li> <li>• PCORI fee applies (to 2019) – payable in 2013</li> </ul>	<ul style="list-style-type: none"> <li>• Health Care FSA maximum is limited</li> <li>• Exchange notice</li> <li>• Medicare tax increase for high incomes</li> <li>• 2.3% excise tax on medical devices</li> </ul>	<ul style="list-style-type: none"> <li>• Individual mandate</li> <li>• Exchanges (Marketplace)/ Low income subsidies</li> <li>• No pre-existing condition exclusions for anyone</li> <li>• No annual dollar limits</li> <li>• Waiting periods cannot exceed 90 days</li> <li>• Coverage for approved clinical trials</li> <li>• Limits on in-network out-of-pocket maximums apply</li> <li>• Wellness incentives (allowed up to 30% (50% for tobacco))</li> <li>• Health Insurance tax</li> <li>• Transitional Reinsurance fee (to 2016)</li> <li>• Individual/ Small Group: <ul style="list-style-type: none"> <li>- Essential health benefits / metal tiers</li> <li>- Guaranteed issue and renewability, high risk pool</li> <li>- Community rating, limits on age rating</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Employer mandate (100+ FTEs)</li> <li>• Medical and prescription copays apply to out-of-pocket (OOP) maximum</li> </ul>	<ul style="list-style-type: none"> <li>• Employer mandate (50+ FTEs)</li> <li>• Reporting requirements</li> </ul>

*Slight variations in timing may exist for non-calendar year or grandfathered plans.*

# Recap – The Employer Mandate

- Effective January 1, 2015, the Affordable Care Act (ACA) imposes a penalty on **large** employers that do not offer **minimum essential** coverage to “substantially all” full-time employees and **dependents**.
- Large employers that **do** offer coverage may still be liable for a penalty if the coverage is **unaffordable** or does not provide **minimum value**.
- The ACA’s employer penalty is referred to as the Employer Shared Responsibility Mandate or “Pay or Play”.

# Recap – The Employer Mandate

- In Indiana a large employer is one with at least 50 full-time equivalent employees
- A full-time employee is defined as working at least 30 hours of service per week
- The IRS has published a safe-harbor test for employers to determine if coverage is “affordable”
- Although this test is based on employee earnings only, the marketplace will use “household” income to determine if a subsidy is available
- The employer coverage must provide at least a 60% actuarial benefit value



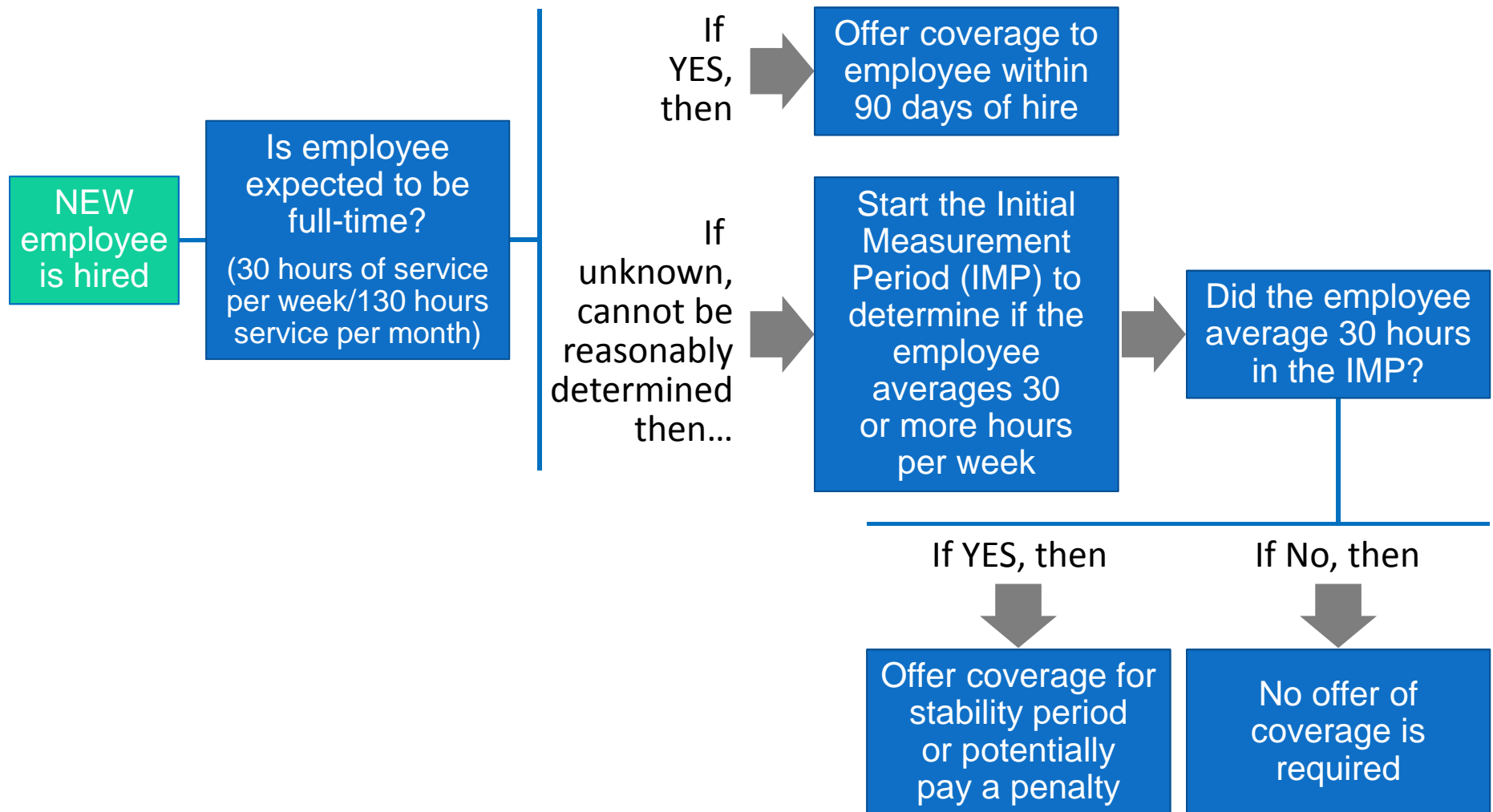
# Penalties

- ✓ **A Penalty** - If coverage is not made available to at least 70% in 2015 & 95% in 2016 of all full-time employees, the penalty is \$2,000 per employee (less the first 30) per year\*
- ✓ **B Penalty** - If the coverage is unaffordable and/or does not provide minimum essential value, the penalty is \$3,000 for each employee who enters the marketplace and qualifies for a subsidy. The penalty is determined when the employee enters the marketplace and “**qualifies**” for a subsidy.

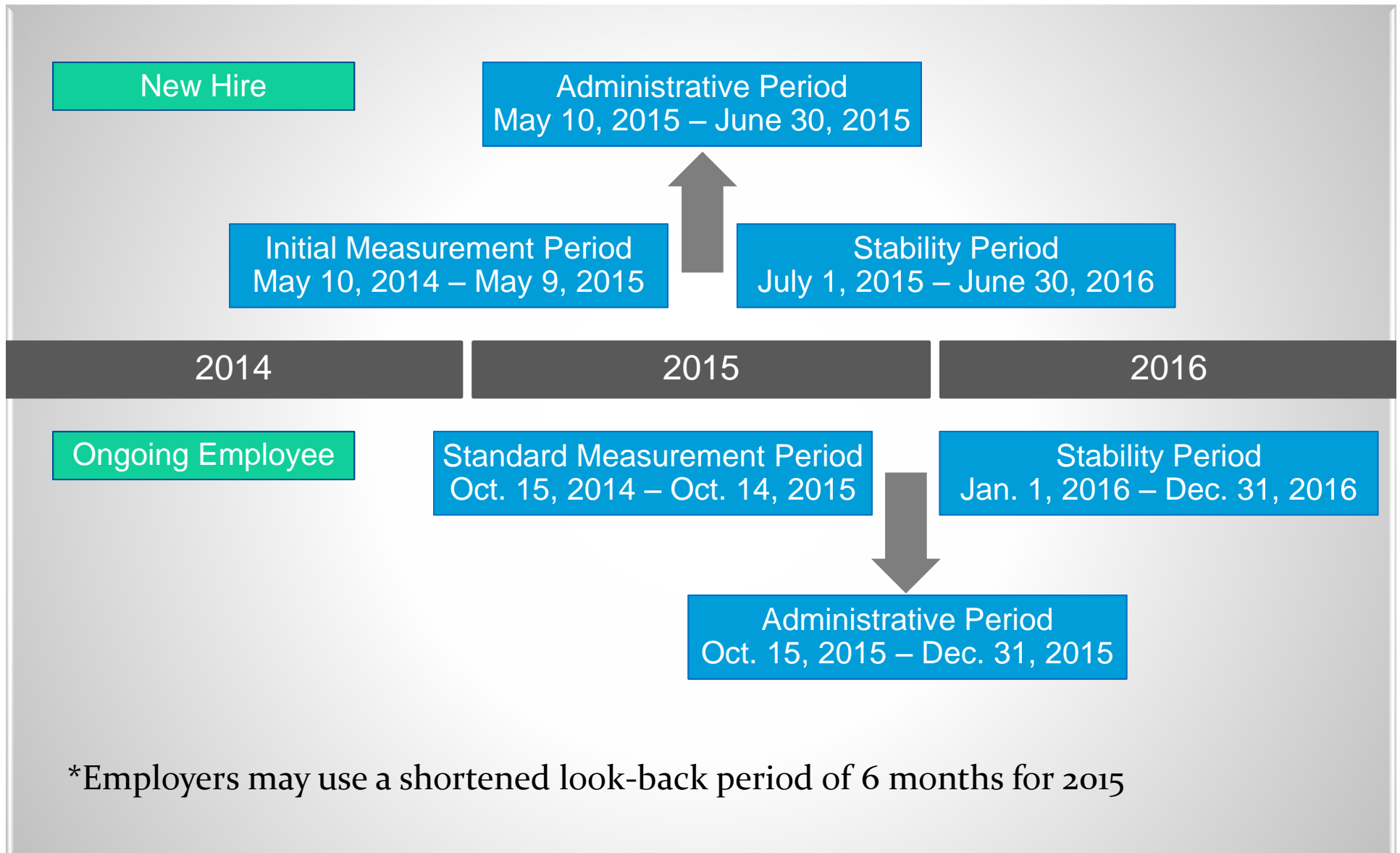
***If employer coverage is offered and such coverage is affordable and provides minimum value, no subsidy will be available through the marketplace.***

*\*2015 is a transition year – Penalties do not apply to ALEs with under 100 employees in 2015. For ALEs with 100 or more employees coverage must be offered to at least 70% of FTE less the first 80.*

# Full-Time Status Determination



# Example: Variable Hour Employee





# Special Rules for New Hires

For newly hired variable-hour employees, the initial measurement period combined with the administrative cannot extend beyond  
“the last day of the first calendar month beginning on or after the one-year anniversary of the employee’s start date”

*(B) Limit on combined length of initial measurement period and administrative period. In addition to the specific limits on the initial measurement period (which must not exceed 12 months) and the administrative period (which must not exceed 90 days), there is a limit on the combined length of the initial measurement period and the administrative period applicable to a new variable hour employee or new seasonal employee. Specifically, the initial measurement period and administrative period together cannot extend beyond the last day of the first calendar month beginning on or after the first anniversary of the employee's start date. For example, if an applicable large employer member uses a 12-month initial measurement period for a new variable hour employee, and begins that initial measurement period on the first day of the first calendar month following the employee's start date, the period between the end of the initial measurement period and the offer of coverage to a new variable hour employee who works full time during the initial measurement period must not exceed one month.*

*Paylocity, “ACA Reporting Requirements”*

# Special Rules for New Hires

In other words...

*Employers with an 11 or 12 month measurement period cannot use a 90 day administrative period with new hires*

Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May
Hired March 15												Anniversary	End of Measurement and Admin Period	Coverage Begins

*Paylocity, "ACA Reporting Requirements"*

# Variable Hour Employees – Special Considerations

## Vacation and Paid Time Off

Hours of service must include paid time off such as vacation, holiday, sick time, disability, layoff, jury duty, and military leave of absence . This means that when measuring hours for determining eligibility for coverage, employers must treat paid time off as if the employee was working during that time .

Example:

Bob works 30 hours per week, but takes 2 weeks of paid vacation in April.

- Bob's employer must count his hours as if he worked 30 hours per week for the entire month of April.

## Unpaid Leave

For certain types of special unpaid leave, employers are required to exclude the period of unpaid leave entirely in determining average hours per week during the measurement period. As such, hours excluding special unpaid leave are treated as average hours for the entire measurement period.

Special unpaid leave that employers must ignore in the calculation includes unpaid leave subject to Family Medical Leave Act (FMLA) or Uniformed Services Employment and Reemployment Rights Act (USERRA), and unpaid leave on account of jury duty.

Example 1:

Sue works 30 hours per week for Company, but Sue takes 6 weeks of unpaid FMLA leave from July through mid-August. Company uses a 12-month measurement period .

- Company may not count zero hours for Sue during the FMLA period. The calculation of Sue's hours must be based solely on the hours she worked during the other 46 weeks of the year; in other words, Company must treat Sue as if she was working during the FMLA period.

Example 2:

Joe works 30 hours per week for Company, but Joe takes 2 weeks of unpaid personal leave in February. Company uses a 12-month measurement period.

- Company can count zero hours for Joe for the 2-week period of personal leave, since personal leave is not special unpaid leave. As such, Joe's average hours for February are 15 hours per week (30 hours for week 1 and week 2, 0 hours for week 3 and week 4 = 60 total hours divided by 4 weeks = 15).



# Ongoing Employees

- ✓ Employee's status as full or part time is locked in during the stability period, regardless of the employee's actual hours worked.
- ✓ A change in the employee's employment status during the stability period generally does not affect the classification of the employee during the remainder of the stability period.
- ✓ Unless – (limited exception under final rule)

*Ice Miller, ISHHRA Fall Education Conference Employee Benefits Update*

# Ongoing Employees – Limited Exception

- ✓ The final rule created an exception to the stability period rule where an employee changes employment status and is no longer a full time employee in the middle of the stability period.
  - If such an employee does not average at least 30 hours of service per week for each of three full calendar months following the change in status AND, the employee was covered for at least 90 days prior, the employer may drop the employee from coverage as of the last day of the fourth calendar month.
  - Employees hours will then be counted on the monthly measurement period method until the end of the next full measurement period.

*Ice Miller , ISHHRA Fall Education Conference Employee Benefits Update*

# Employer Reporting





# Reporting - Code Sections 6055 & 6056

- Effective in 2014. Compliance is voluntary for 2014 and mandatory for 2015
- Reporting requirements are complex
- Applies to all Applicable Large Employers (ALE)\*
- Reporting is still required for employers with 50-99 employees who are exempt from the mandate in 2015
- Code 6055 applies to insurers and self-insured plans
- Code 6056 applies to (ALEs)
- Key Dates
  - February 1, 2016 – reporting due to individuals / employees (generally due by January 31, but January 31, 2016 is a weekend)
  - February 29, 2016 – reporting due to the IRS if NOT filing electronically (generally due by February 28, but February 28, 2016 is a weekend)
  - March 31, 2016 – reporting due to the IRS if filing electronically
- \*ALE: Employer with at least 50 FTE employees during the prior year

# Reporting - Code Section 6055



- Reporting will be used by the government to track the individual mandate
- Reporting is not required for HSAs, on-site clinics, wellness programs and dental/vision plans
- ALEs reporting under both sections will file using a combined reporting method, Form 1094-C and Form 1095-C

# Reporting - Code Section 6056

- Applies to all ALEs
- Reporting will be used by the IRS to track compliance with the employer mandate and to determine eligibility for tax subsidies/credits
- Form 1095-C - Must be provided to employees by January 31, 2016
- Form 1094-C – Due to the IRS by February 28, 2016 (March 31, 2016, if filing electronically)





# Reporting - Code Section 6055

6055	WHO must receive the form?	WHAT information must be reported?	WHEN must the information be provided?	WHY is the form required?
  	<b>Employee</b> Anyone that received minimum essential coverage (MEC)	Required information on Form 1095-C (ALE Members) or Form 1095-B (not an ALE Member), such as: <ul style="list-style-type: none"> <li>• Name and SSN of every person covered under the employee's program or policy</li> <li>• Months that the employee and any dependants were enrolled and entitled to receive benefits</li> </ul>	No later than January 31*	The IRS will use this information to enforce penalties under the employer and individual mandates.
	<b>Internal Revenue Service</b>	Completed Forms 1095-C (ALE Members) or completed Forms 1095-B (not an ALE Member) plus: <ul style="list-style-type: none"> <li>• Total number of FTEs per calendar month</li> <li>• Total headcount per calendar month</li> <li>• Certification that Minimum Essential Coverage was offered per calendar month</li> </ul>	No later than March 31* if filed electronically	The IRS will use this information to enforce penalties under the employer and individual mandates.

Equifax "Reporting Under the Affordable Care Act"

# Reporting - Code Section 6056

IRS Reporting Defined				
6056	WHO must receive the form?	WHAT information must be reported?	WHEN must the information be provided?	WHY is the form required?
	<b>Employee</b> Anyone that was a full-time employee (FTE)	Required sections of Form 1095-C, including employee information such as: <ul style="list-style-type: none"> <li>• Whether coverage was offered by calendar month</li> <li>• Employee's share of the lowest cost monthly premium by calendar month</li> <li>• Whether an applicable 4980H Safe Harbor was used by calendar month</li> </ul>	No later than January 31*	The IRS will use this information to enforce penalties under the employer and individual mandates.
	 <b>Internal Revenue Service</b>	Completed Forms 1095-C plus required sections of Form 1094-C, including ALE Member information such as: <ul style="list-style-type: none"> <li>• Total number of FTEs per calendar month</li> <li>• Total headcount per calendar month</li> <li>• Certification that Minimum Essential Coverage was offered per calendar month</li> </ul>	No later than March 31* if filed electronically	The IRS will use this information to enforce penalties under the employer and individual mandates.

Equifax "Reporting Under the Affordable Care Act



# Reporting - Form 1095-C

Provided to each employee by January 31, 2016

**Form 1095-C** **Employer-Provided Health Insurance Offer and Coverage** ☐ VOID **600115**  
Department of the Treasury Internal Revenue Service ☐ CORRECTED OMB No. 1545-2251 **2014**  
Information about Form 1095-C and its separate instructions is at [www.irs.gov/1095c](http://www.irs.gov/1095c).

**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)  
9 Street address (including apartment 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**

14 Offer of Coverage (enter required codes)  
15 Employee Share of Lowest-Cost Monthly Premium, for Self-Only Minimum Value Coverage  
16 Applicable Section 408(h) 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)

Form 1095-C (2014)

## Instructions for Recipient

You are receiving this Form 1095-C because your employer is an Applicable Large Employer subject to the employer shared responsibility provision in the Affordable Care Act. This Form 1095-C includes information about the health insurance coverage offered to you by your employer. Form 1095-C, Part II, includes information about the coverage, if any, your employer offered to you and your spouse and dependent(s). If you purchased health insurance coverage through the Health Insurance Marketplace and wish to claim the premium tax credit, this information will assist you in determining whether you are eligible. For more information about the premium tax credit, see Pub. 974, Premium Tax Credit (PTC). You may receive multiple Forms 1095-C if you had multiple employers during the year that were Applicable Large Employers (for example, you left employment with one Applicable Large Employer and began a new position of employment with another Applicable Large Employer). In that situation, each Form 1095-C would have information only about the health insurance coverage offered to you by the employer identified on the form. If your employer is not an Applicable Large Employer it is not required to furnish you a Form 1095-C providing information about the health coverage it offered.

In addition, if you, or any other individual who is offered health coverage because of their relationship to you (referred to here as family members), enrolled in your employer's health plan and that plan is a type of plan referred to as a "self-insured" plan, Form 1095-C, Part III, provides information to assist you in completing your income tax return by showing you or those family members had qualifying health coverage (referred to as "minimum essential coverage") for some or all months during the year.

If your employer provided you or a family member health coverage through an insured health plan or in another manner, the issuer of the insurance or the sponsor of the plan providing the coverage will furnish you information about the coverage separately on Form 1095-B, Health Coverage. Similarly, if you or a family member obtained minimum essential coverage from another source, such as a government-sponsored program, an individual market plan, or miscellaneous coverage designated by the Department of Health and Human Services, the provider of that coverage will furnish you information about that coverage on Form 1095-B, if you or a family member enrolled in a qualified health plan through a Health Insurance Marketplace, the Health Insurance Marketplace will report information about that coverage on Form 1095-A, Health Insurance Marketplace Statement.

**TIP** Employers are required to furnish Form 1095-C only to the employee. As the recipient of this Form 1095-C, you should provide a copy to any family members covered under a self-insured employer-sponsored plan listed in Part III if they request it for their records.

## Part I. Employee

**Lines 1-6.** Part I, lines 1-6, reports information about you, the employee.

**Line 2.** This is your social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, the issuer is required to report your complete SSN to the IRS.

**CAUTION** If you do not provide your SSN and the SSNs of all covered individuals to the plan administrator, the IRS may not be able to match the Form 1095-C to determine that you and the other covered individuals have complied with the individual shared responsibility provision. For covered individuals other than the employee listed in Part I, a Employer Identification Number (EIN) may be provided instead of an SSN.

## Part II. Applicable Large Employer Member (Employer)

**Lines 7-13.** Part II, lines 7-13, reports information about your employer.  
**Line 10.** This line includes a telephone number for the person whom you may call if you have questions about the information reported on the form.

## Part II. Employer Offer and Coverage, Lines 14-16

**Line 14.** The codes listed below for line 14 describe the coverage that your employer offered to you and your spouse and dependent(s), if any. This information relates to eligibility for coverage subsidized by the premium tax credit for you, your spouse, and dependent(s). For more information about the premium tax credit, see Pub. 974.

**1A.** Minimum essential coverage providing minimum value offered to you with an employee contribution for self-only coverage equal to or less than \$1,106.00 (9.5% of the 48 contiguous states single federal poverty line) and minimum essential coverage offered to your spouse and dependent(s) (referred to here as a Qualifying Offer). This code may be used to report for specific months for which a Qualifying Offer was made, even if you did not receive a Qualifying Offer for all 12 months of the calendar year.

**1B.** Minimum essential coverage providing minimum value offered to you and minimum essential coverage NOT offered to your spouse or dependent(s).

**1C.** Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) but NOT your spouse.

**1D.** Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your spouse but NOT your dependent(s).

**1E.** Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.

**1F.** Minimum essential coverage NOT providing minimum value offered to you, or you and your spouse or dependent(s), or you, your spouse, and dependent(s).

**1G.** You were NOT a full-time employee for any month of the calendar year but were enrolled in self-insured employer-sponsored coverage for one or more months of the calendar year. This code will be entered in the All 12 Months box on line 14.

**1H.** No offer of coverage you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage.

**1I.** Your employer claimed "Qualifying Offer Transition Relief" for 2015 and for at least one month of the year you (and your spouse or dependent(s)) did not receive a Qualifying Offer. Note that your employer has also provided a contact number at which you may request further information about the health coverage. If any, you were offered (see line 10).

**Line 15.** This line reports the employee share of the lowest-cost monthly premium for self-only minimum essential coverage providing minimum value that your employer offered you. The amount reported on line 15 may not be the amount you paid for coverage if, for example, you chose to enroll in more expensive coverage such as family coverage. Line 15 will show an amount only if code 1B, 1C, 1D, or 1E is entered on line 14. If you were offered coverage but not required to contribute any amount towards the premium, this line will report a "0.00" for the amount.

**Line 16.** This line provides the IRS information to administer the employer shared responsibility provisions. None of this information affects your eligibility for the premium tax credit. For more information about the employer shared responsibility provisions, see IRS.gov.

## Part III. Covered Individuals, Lines 17-22

Part III reports the name, SSN (or TIN for covered individuals other than the employee listed in Part I), and coverage information about each individual (including any full-time employee and non-full-time employee, and any employee's family members) covered under the employer's health plan, if the plan is "self-insured." A date of birth will be entered in column (c) only if an SSN (or TIN for covered individuals other than the employee listed in Part I) is not entered in column (b). Column (b) will be checked if the individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (e) indicating the months for which these individuals were covered. If there are more than 6 covered individuals, you will receive one or more additional Forms 1095-C that continue Part III.



# Who Receives a 1095-C?

- ✓ Not all employees need to receive a 1095-C.
- ✓ Only employees determined to be full-time (for ACA purposes) for at least one month in the calendar need to be issued a 1095-C.

## Who Must File

An employer subject to the employer shared responsibility provisions under section 4980H must file one or more Forms 1094-C (including a Form 1094-C designated as the Authoritative Transmittal, whether or not filing multiple Forms 1094-C), and must file a Form 1095-C (or a substitute form) for each employee who was a full-time employee of the employer for any month of the calendar year. Generally, the employer is required to furnish a copy of the Form 1095-C to the employee.

*Paylocity, "ACA Reporting Requirements"*

# Reporting - Form 1094-C (Transmittal)

## Aggregate Transmittal Form to the IRS

Form **1094-C** Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns ☐ CORRECTED 120115 OMB No. 1545-0251 2014

Department of the Treasury  
Internal Revenue Service

► Information about Form 1094-C and its separate instructions is at [www.irs.gov/ri1094c](http://www.irs.gov/ri1094c).

**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

**For Official Use Only**

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

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 01571A Form **1094-C** (2014)

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**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)

*The final forms have been released!*

# Reporting Methods

- General Method – Full reporting for all full-time employees
- Simplified Method #1 – Qualifying Offers
  - Offer of minimum value coverage; that
  - Costs no more than 9.5% of the FPL; and
  - Must be offered to spouses and children
  - Note: Full reporting is required for any employee who was not covered under a qualified offer for the entire year
- Simplified Method #2 – Option to Report without Separate Certification of FT Employees
  - Applicable to employers that offer affordable, minimum value coverage to at least 98% of employees and dependents



# Reporting Platforms

- Payroll Systems
- Benefit Administration Systems
- Stand Alone Systems
- Pricing varies widely; an RFP is recommended.

# Reporting Penalties

- A reporting entity that fails to comply with the Section 6055 & 6056 reporting requirements may be subject to penalties for:
  - Failure to file correct returns
  - Failure to furnish correct payee statements
- The penalty is generally \$100 for each return, up to \$1,500,000 per calendar year
- Penalties may be waived if the failure is due to reasonable cause and not willful neglect
- Reduced penalties will apply if correction is made within specified time frames
- Short-term relief from penalties will apply in 2016 for 2015 reporting if an entity can demonstrate good faith effort to comply with the reporting requirements

## Next Steps...

- Involve your Finance/Accounting Department
  - The burden of compliance will a combined effort between HR and Accounting
- Ask your payroll, Benefit Administration or HRIS vendor(s) if they will be able to provide any assistance with the reporting requirements
- Third party vendors are allowed to file on your behalf

**Start Now - don't wait until the end of the year.**



# Thank You

## Questions?

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**317-686-6422**

