

 **HEALTH CARE**
REFORM NEWS

...From the Employer Perspective

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2015 ACA Reporting for Employers 50-99 Employees

If you are an employer with 50-99 full-time employees, you were likely relieved by the one-year delay in enforcement of the Affordable Care Act's (ACA) employer mandate for employers of your size. While you are able to put aside concerns about complying with the health care coverage requirements in 2015, the same cannot be said for the ACA's annual reporting requirements. Last week the Internal Revenue Service (IRS) published final forms and instructions for 2015 ACA reporting, which do not exempt organizations of this size from the full scope of reporting responsibilities. ACA annual reporting for calendar year 2015 is due in early 2016 – do you know your reporting obligations?

What is the employer mandate transition relief for employers with 50-99 full-time employees?

The employer shared responsibility mandate of the ACA became effective January 1, 2015 and applies to Applicable Large Employers (ALEs), which are defined as employers with 50 or more full-time employees, including full-time equivalents. However, to assist employers in the smaller size range in transitioning into compliance with the employer mandate, the IRS delayed enforcement of the employer mandate until 2016 for ALEs that had 50-99 full-time employees in 2014 ("ALE 50-99"). To be eligible, an ALE 50-99 must not have reduced its workforce or overall hours between February 9, 2014 and December 31, 2014 and must not have eliminated or materially reduced the health coverage it offered as of February 9, 2014.

What are the ACA annual reporting requirements?

The reporting, known as section 6055 and section 6056 reporting, will assist the IRS in administering compliance with the individual and employer shared responsibility mandates of the ACA. The first required annual reporting is for calendar year 2015.

- Section 6056 requires ALEs to report, for each employee who was full-time status at any time during the calendar year, information about health care coverage offered to the employee, if any.
- Section 6055 requires health insurance issuers, self-insured plan sponsors, and others that provide minimum essential coverage to report information about all individuals covered during the calendar year and during which month(s) each individual was covered.

Since ALEs 50-99 aren't subject to the employer mandate in 2015, are they also exempt from the section 6056 reporting requirements for 2015?

No. Although reporting for ALEs 50-99 is discussed in a section of the reporting regulations dedicated to "alternative reporting methods that will minimize the cost and administrative tasks for employers," there is, in fact, no reporting relief for ALEs 50-99. Without exception, all ALEs are required to fulfill the reporting requirements for 2015.

How is reporting done?

Reporting entities must complete an individual statement form for each employee or primary insured for whom they are required to report and provide it to the IRS and to the individual. In addition, at least one transmittal cover form with summary information about the reporting entity must accompany the individual forms submitted to the IRS.

What forms must ALEs complete?

All ALEs, including ALEs 50-99, must use Form 1095-C (individual statement) to satisfy section 6056 reporting requirements for full-time employees and must use Form 1094-C (transmittal cover form) with its collective submission of Forms 1095-C to the IRS. If an ALE sponsors a self-insured health plan, it will also use the same Form 1095-C to satisfy section 6055 reporting requirements for employees enrolled in the plan. For non-employee enrollees (e.g., retiree, COBRA) of a self-insured health plan, an ALE may use either Forms 1094-C/1095-C or Forms 1094-B/1095-B to satisfy section 6055 reporting.

What information is required for Form 1095-C individual statements?

Part I of the form requires basic identifying information for the ALE and employee. In Part II the ALE must enter, for each month, a code to indicate whether it offered the employee and his or her dependents minimum essential coverage that met minimum value, the required employee contribution for the lowest-cost minimum value plan offered and, if applicable, a code to indicate whether the ALE is eligible for one of several safe harbors from the employer mandate with regard to that employee. Part III is only completed for participants in a self-insured health plan and requires the name and SSN or birth date of all covered family members and the months they were covered.

What information is required for the Form 1094-C transmittal form?

In general, the form requests identifying information for the ALE, the number of Form 1095-C individual statements being filed, whether the ALE is part of an aggregated group of ALEs, whether the ALE is using an alternative reporting method (described in the form instructions), the total number of employees each month, the number of full-time employees each month, and whether minimum essential coverage was offered each month to at least 95% of full-time employees and their dependents (70% in 2015).

Is there anything at all different about the 2015 reporting process for ALEs 50-99?

Yes. There are a few items in the Form 1094-C transmittal form that ALEs 50-99 will answer differently than other ALEs for 2015 reporting only. An ALE 50-99 will indicate that it is eligible for the 2015 employer mandate transition relief and will answer “Yes” to the question of whether it offered minimum essential coverage to at least 70% of its full-time employees in each month of 2015, regardless of whether that was true or untrue.

When is reporting due?

Individual statements must be mailed or provided to individuals by January 31 following the calendar year to which the information applies and IRS filings are due by the last day of February if filing by paper or March 31 if filing electronically (reporting entities filing 250 or more forms must file electronically). If any of those dates falls on a weekend or legal holiday, the due date is the first business day thereafter.

What should employers be doing to prepare?

ALEs of all sizes should be working to determine how their organizations will address these new requirements. If you have not already begun to develop a plan for tracking and reporting the required information, we recommend you begin by reviewing the final 2015 [Form 1094-C](#), [Form 1095-C](#), and [Form Instructions](#). We also suggest you reach out to your benefits administration, payroll, HRIS, and/or electronic tax filing providers to discuss what solutions they may have developed to support fulfillment of the reporting requirements.

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Your Trion Strategic Account Managers are here to answer any questions you might have as you prepare to comply with upcoming ACA requirements. If you are not currently a Trion client and would like assistance navigating the changes required by health care reform, please contact us today by emailing trionsales@trion-mma.com.

ACA Regulations & Guidance Issued In the Last Two Months

Sep. 2015: IRS Issues Final Forms [1094-B](#), [1095-B](#), [1094-C](#), [1095-C](#), [Series B Instructions](#) & [Series Instructions](#)

- Sep. 2015: IRS Issues [Notice 2015-68 Information Reporting on Minimum Essential Coverage](#)
- Sep. 2015: IRS Issues [Proposed Rules on Minimum Value](#)
- Aug. 2015: ACA FAQs Part XXVIII – [Transparency Reporting](#)
- Aug. 2015: IRS Issues Draft Forms [1094-B](#), [1095-B](#), [1094-C](#), [1095-C](#), [Series B Instructions](#) & [Series C Instructions](#)

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