

INFOBRIEF



TOPIC: ACA REPORTING REQUIREMENTS – FAQ

ISSUED 07/05/17

Overview

How do I know whether to complete the B forms or C forms?

All applicable large employers (ALE) must file Forms 1094-C and 1095-C with the IRS and furnish a copy of the 1095-C to all full-time employees. The insurance carrier for a fully insured plan must complete Forms 1094-B and 1095-B. Generally, only employers that are non-ALEs with a self-insured plan will complete Forms 1094-B and 1095-B.

What is the deadline for filing and furnishing the forms?

To IRS: February 28 or March 31 (electronically) To Employee: January 31

Form 1094-C

What is an "authoritative transmittal?"

If you have only one Form 1094-C, that Form 1094-C must report aggregate employer-level data for the ALE Member and be the Authoritative Transmittal. If multiple Forms 1094-C are being filed for an ALE Member so that all full-time employees' Forms 1095-C are not attached to a single Form 1094-C transmittal, one of the Forms 1094-C must report aggregate employer-level data for the ALE Member and be the Authoritative Transmittal.

What is an Aggregate ALE Group member?

Companies that are part of a controlled group are an ALE member in the aggregate ALE group. Each ALE member must complete the Form 1094-C and 1095-C.

What should I check under "certifications of eligibility"?

A. Qualifying Offer Method – the ALE Member can certify that it made a Qualifying Offer (affordable based on FPL and minimum value) to one or more of its full-time employees for all months during the year in which the employee was a full-time employee.

B. Section 4980H Transitional Relief – the ALE member is eligible for section 4980H Transition Relief for one or more months of the 2016 calendar year under either: (1) 2015 Plan Year Section 4980H Transition Relief for ALEs with Fewer Than 100 Full-Time Employees, Including Full-Time Equivalent Employees (50-99 Transition Relief); or (2) 2015 Plan Year Transition Relief for Calculation of Assessable Payments Under Section 4980H(a) for ALEs with 100 or More Full-Time Employees, including Full-Time Equivalent Employees (100 or More Transition Relief).

C. 98% Offer Method – the employer can certify that, taking into account all months during which the individuals were employees of the ALE Member and were not in a Limited Non-Assessment Period, the ALE Member offered affordable health coverage providing minimum value to at least 98% of its employees for whom it is filing a Form 1095-C, and offered minimum essential coverage to those employees' dependents.

How do I complete Part III(a)?

Check "yes" for the applicable month or all 12 months if you offered minimum essential coverage to at least 95% of your full-time employees.

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What is the difference between Part III(b) and Part III(c)?

Part III (b): Enter full-time employee count

Part III (c): Enter total employee count (includes part-time employees and all others)

What should I enter in Part IV?

Each aggregate ALE member must cross-reference the name and EIN of all other entities in the controlled group.

Form 1095-C

Which code should I enter on Line 14?

- 1A Minimum essential coverage offered: Minimum Value to Employee Affordable Based on FPL To Spouse and Dependent
- 1B Minimum essential coverage offered: Minimum Value to Employee Affordable or Unaffordable To Employee Only
- 1C Minimum essential coverage offered: Minimum Value to Employee Affordable or Unaffordable To Dependent (not Spouse)
- 1D Minimum essential coverage offered: Minimum Value to Employee Affordable or Unaffordable To Spouse (not Dependent)
- 1E Minimum essential coverage offered: Minimum Value to Employee Affordable or Unaffordable To Spouse and Dependent
- 1F Minimum essential coverage offered: NOT Minimum Value Affordable or Unaffordable To Employee, Spouse, and/or Dependent
- 1G Self-insured coverage offered: To Non-Employee or Former Employee for Entire Calendar Year
- 1H No offer of coverage: For the entire month; or For part of the month
- 1J Minimum essential coverage offered: Minimum Value to Employee Affordable or Unaffordable To Spouse Conditionally
- 1K Minimum essential coverage offered: Minimum Value to Employee Affordable or Unaffordable To Spouse Conditionally To Dependent

What is the difference between code 1A and code 1E?

An offer of coverage under code 1A must be affordable based on the federal poverty line. Code 1E may be used for coverage that is affordable under any of the affordability safe harbors, or unaffordable.

What code should I enter on Line 16?

- 2A Employee not employed any day of the month
- 2B Employee not a full-time employee or was full-time only part of the month
- 2C Employee enrolled in coverage every day of the month
- 2D Employee in a waiting period, measurement period, or first month of employment with no waiting period
- 2E Employee offered union coverage on behalf of employer
- 2F Employee waived and coverage affordable based on W-2 safe harbor
- 2G Employee waived and coverage affordable based on federal poverty line safe harbor
- 2H Employee waived and coverage affordable based on rate of pay safe harbor

*When more than one code applies codes 2A – 2D supersede codes 2E – 2H. If code 2C applies, it supersedes all other codes

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Can I use the “All 12 months” Box for the cost of coverage on Line 15?

Only use this Box if the cost was the exact same for all 12 months. If cost changes during the plan year, enter the applicable cost for each month. Non-calendar plan years typically cannot use the all 12 months box.

How do I report coverage that terminates on date the employee’s employment ends mid-month?

The employer cannot enter 2C on Line 16 because the employee was not enrolled in coverage for every day of the month. Alternatively, the employer should enter 2B to indicate that the employee was not a full-time employee for the entire month.

How do I report an employee in an initial measurement period for the entire year?

Employers should only complete the forms for its full-time employees. Until the employee completes the measurement period, no status is assigned so no reporting is required.

Should I complete the forms for non-employees?

The employer shared responsibility provision does not apply to non-employees, such as independent contractors, owners and other non-employees. There is no reporting requirement for non-employees under section 6056. However, under section 6055, self-insured plans must report on any covered non-employees.

How do I report an offer of COBRA or retiree coverage?

Terminated During Reporting Year: Report as no offer of coverage – code 1H

Reduction in Hours During Reporting Year: Report as an offer of coverage – typically code 1B, 1C, 1D, or 1E

On Self-Insured COBRA All of Reporting Year: Report as an offer of coverage – code 1G

Do I need to complete Part III of the 1095-C?

Self-Insured Plan: Yes; Fully Insured Plan: No

How do I complete 1095-C Part III(e)?

Check all months that the employee, employee’s spouse, or employee’s dependent was covered for at least one day of the month.

How do I report a spouse or dependent covered on my self-insured plan when the employee is not receiving a 1095-C?

To report coverage for a spouse or dependent only, complete Forms 1094-B and 1095-B and check all months that the individual was covered for at least one day of the month.

Filing

Am I required to file electronically?

Employers submitting 250 or more forms must file electronically. Employers filing electronically must do so via the [Affordable Care Act Information Returns \(AIR\) System](#).

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What are the penalties if I do not complete the forms?

Failure to File Correct Return: \$260/return

Failure to Furnish Correct Return: \$260/return

Intentional Disregard: \$500/return

Did the IRS create more detailed instructions for how to complete the forms?

Yes, annually the IRS issues updated forms and [Instructions for Forms 1094-C and 1095-C](#) and [Instructions for Forms 1094-B and 1095-B](#).