

Understanding the Employer Mandate's Reporting Requirements

A Program for Community Action Agencies sponsored by CAPLAW
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Presented by:

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Agenda

We will seek to cover:

- The purposes for reporting
- The parties responsible for reporting
- The process for reporting
- The information needed for reporting
- An introduction to the reports themselves
- The timing for reporting
- The penalties for failing to report

Purpose of Reporting

The ACA introduced two new sections to the Internal Revenue Code

- **Section 6055** provides for reports on whether individuals have coverage under individual mandate
- **Section 6056** provides for reports on the coverage available to individuals under the employer mandate and for determining whether individuals qualify for exchange subsidies

Responsibility To Report

Section 6055 applies to providers of health plans offering minimum essential coverage

The provider may be

- A health insurance carrier (or HMO)
- A self-funded group health plan sponsor

Responsibility To Report

Section 6056 applies to Applicable Large Employers

- ALE determined on a controlled group basis
- Each common law employer in ALE has responsibility
- Government employer may transfer responsibility to related government entity, but reports still filed employer-by-employer

Responsibility To Report

Employer Size	Plan Status	Reporting Responsibility
Small	Insured	No report
Small	Self-insured	Section 6055
Large	Insured	Section 6056
Large	Self-insured	Sections 6055/6056

Reporting Process

The process for reporting under Sections 6055 and 6056 is modeled after process for 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)

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Reporting Process

For Section 6055, reports are made on

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

For self-funded plan of Applicable Large Employer, ALE member does not file these forms, but adds additional section to Section 6056

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Reporting Process

For Section 6056, reports are made on

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

Employer with self-funded plan fills out all sections

To the extent plan is insured, employer does not fill out Part III

Reporting Process

Exchanges file reports for individual coverage on Form 1095-A

Reporting Process

Individual reporting

- New line 61 added to Form 1040

Information to Report

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

Form 1094-B

Form **1094-B** Transmittal of Health Coverage Information Returns

Department of the Treasury Internal Revenue Service

OMB No. 1545-2262

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

For Official Use Only

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. 61570P Form 1094-B (2014)

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Form 1095-B

Form **1095-B** Health Coverage

Department of the Treasury Internal Revenue Service

OMB No. 1545-2262

2015

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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):

9 Small Business Health Options Program (SHOP) Marketplace Identifier, if applicable

Part II Employer Sponsored Coverage (see instructions)

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 (see instructions)

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 (if 12 months)	(e) Months of coverage												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
23				<input type="checkbox"/>												
24				<input type="checkbox"/>												
25				<input type="checkbox"/>												
26				<input type="checkbox"/>												
27				<input type="checkbox"/>												
28				<input type="checkbox"/>												

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Form 1094-C

Form **1094-C** Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns CORRECTED OMB No. 1545-2251
Department of the Treasury Internal Revenue Service **2015**
Information about Form 1094-C and its separate instructions is at www.irs.gov/1094c.

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			

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

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

Part II ALE Member Information

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. 61571A Form **1094-C** (2015)

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Form 1094-C, Part II

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

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

Part II ALE Member Information

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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Form 1094-C, Part III

Form 1094-C (2015) 120216
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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 (2015)

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Form 1094-C, Part III

Form 1094-C (2015) 120216
Page 2

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 checked="" type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	B
24 Jan	<input type="checkbox"/>	<input type="checkbox"/>	120	130	<input type="checkbox"/>	
25 Feb	<input type="checkbox"/>	<input type="checkbox"/>	120	131	<input type="checkbox"/>	
26 Mar	<input type="checkbox"/>	<input type="checkbox"/>	120	131	<input type="checkbox"/>	
27 Apr	<input type="checkbox"/>	<input type="checkbox"/>	120	131	<input type="checkbox"/>	
28 May	<input type="checkbox"/>	<input type="checkbox"/>	120	129	<input type="checkbox"/>	
29 June	<input type="checkbox"/>	<input type="checkbox"/>	120	128	<input type="checkbox"/>	
30 July	<input type="checkbox"/>	<input type="checkbox"/>	112	115	<input type="checkbox"/>	
31 Aug	<input type="checkbox"/>	<input type="checkbox"/>	112	115	<input type="checkbox"/>	
32 Sept	<input type="checkbox"/>	<input type="checkbox"/>	122	129	<input type="checkbox"/>	
33 Oct	<input type="checkbox"/>	<input type="checkbox"/>	122	130	<input type="checkbox"/>	
34 Nov	<input type="checkbox"/>	<input type="checkbox"/>	122	130	<input type="checkbox"/>	
35 Dec	<input type="checkbox"/>	<input type="checkbox"/>	122	130	<input type="checkbox"/>	

Form 1094-C (2015)

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Form 1094-C, Part IV

Form 1094-C (2015)

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Page 3

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 (2015)

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Form 1095-C

Form **1095-C**

Employer-Provided Health Insurance Offer and Coverage

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OMB No. 1545-2251
2015

Part I Employee

1 Name of employee
2 Social security number (SSN)
3 Street address (including apartment no.)
4 City or town
5 State or province
6 Country and ZIP or foreign postal code

7 Name of employer
8 Employer identification number (EIN)
9 Street address (including room or suite no.)
10 Contact telephone number
11 City or town
12 State or province
13 Country and ZIP or foreign postal code

Part II Employee Offer and Coverage

Plan Start Month (Enter 2-digit number):

14 Offer of Coverage (enter individual code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
15 Employee Share of Lowest Cost Monthly Premium, for self-only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

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) COB (if SSN is not available)	(d) Months of Coverage											
			All 12 months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
17			<input type="checkbox"/>											
18			<input type="checkbox"/>											
19			<input type="checkbox"/>											
20			<input type="checkbox"/>											
21			<input type="checkbox"/>											
22			<input type="checkbox"/>											

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Cat. No. 60705M

Form 1095-C (2015)

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Form 1095-C, Part II

Part II Employee Offer and Coverage

Plan Start Month (Enter 2-digit number):

	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)													

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Form 1095-C, Part II

Example:

- CAP hires Andrea Bellows full-time on February 2, 2015.
- Andrea becomes eligible for coverage providing minimum value on March 1, 2015.
- Andrea enrolls herself and her spouse, Simon, for coverage on March 1, 2015.
- The contribution for the lowest cost option that provides minimum value is \$125 per month

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Form 1095-C, Part II

Part II Employee Offer and Coverage Plan Start Month (Enter 2-digit number):

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
	14 Offer of Coverage (enter required code)		1H	1H	1E								
15 Employee Share of Lowest Cost Monthly Premium for Self-Only Minimum Value Coverage	\$	\$	\$	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2B	2C									

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Form 1095-C, Part III

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	Andrea Bellows	999-99-9999		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
18	Simon Bellows		May 28, 1986	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>

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Information Needed

Information needed to prepare for reporting

- Is organization an Applicable Large Employer?
- Is plan insured or self-funded?
- Who has the data?
- Who needs data and how will they get it?

Information Needed

Information needed to prepare for reporting

- Is data available month-by-month?
- Is data available employer-by-employer?
- Who will provide authoritative transmittal
- Will any special rules apply?

Information Needed

Reporting considerations

- Information may be needed about full-time employees, their dependents, and others who are covered
- Non-employees may be reported on 1095-B or C
- Employees are not regarded as full-time during limited non-assessment period
- One report per employee
- Efforts to obtain Social Security Numbers

Timing of Reports

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

Timing of Reports

30-day extension available

- Automatic for government filing with filing of Form 8809
- On approval of request for recipient statements

Must submit for extension by due date

Penalties

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

- \$250 per form/statement
- Up to \$3 million
- Subject to reductions for correction and other adjustments

Applies under both reporting under sections 6055 and 6056

Penalties

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

The information provided in this presentation should not be construed as legal advice or legal opinion regarding any specific facts or circumstances, but is intended for general informational purposes only.