

Employer ACA Reporting Requirements

October 23, 2014



Employer ACA Reporting Requirements

- Welcome! We will begin at 3 p.m. Eastern
- There will be no sound until we begin the webinar. When we begin, you can listen to the audio portion through your computer speakers or by calling into the phone conference number provided in your confirmation email.
- You will be able to submit questions during the webinar by using the “questions” box located on your webinar control panel.



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Assurex Global Shareholders:

- Ahmann-Martin
- Catto & Catto
- Celedinas Insurance Group
- Cragin & Pike, Inc.
- The Crichton Group
- Engle-Hambright & Davies
- Frenkel Benefits
- Gillis, Ellis & Baker, Inc.
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- LMC Insurance & Risk Management
- Lyons Companies
- The Mahoney Group
- MJ Insurance
- Parker, Smith & Feek, Inc.
- PayneWest Insurance
- R&R/The Knowledge Brokers
- RCM&D
- Roach Howard Smith & Barton
- The Rowley Agency
- Smith Brothers Insurance
- Starkweather & Shepley Insurance Brokerage
- Woodruff-Sawyer & Co.
- Wortham Insurance & Risk Management



Agenda

- Background
- Who must report
- Timing requirements
- Information that must be reported
- Applicable regulation basics
- Method of reporting
- Form details



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Background

- Employer reporting of plan and coverage information will provide the IRS with the information necessary to administer and regulate:
 - Individual compliance with the requirement to have minimum essential coverage (“individual mandate”)
 - Individual eligibility for a premium tax credit/subsidy for coverage through a public Marketplace
 - Employer compliance with the requirement to offer coverage to full-time employees and their dependent children under the employer shared responsibility rules (Section 4980H)



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Who Must Report?

- Section 6055
 - Requires all employers offering minimum essential coverage (MEC) under a self-funded plan to report for purposes of enforcing the “individual mandate”
- Section 6056
 - Requires all “applicable large employers” – 50 or more FTEs – to report
 - Employers with 50-99 FTEs satisfying the transition relief criteria to delay compliance until 2016 must still report for 2015
 - Assists in enforcing the employer shared responsibility rules and determining which individuals may be eligible for subsidized coverage through a public Marketplace

NOTE – only small employers (<50 FTEs) offering no coverage or only fully-insured coverage are exempt from reporting



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Timing Requirements

- Reporting first required early in 2016 for the 2015 calendar year
 - Reporting is based on data from the previous calendar year regardless of the employer's plan year
 - Employers may voluntarily report in 2015 (for the 2014 calendar year) to better understand the process and requirements - RECOMMENDED
- Annual timeframes for reporting (same as for W-2s)
 - Annual employer returns must be filed with the IRS by Feb. 28 (Mar. 31, if filed electronically)
 - Corresponding employee statements must be provided annually to employees by Jan. 31



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Information Required

- Applicable Large Employer
 - Status as a single employer or member of a controlled group/affiliated service group
 - If applicable, name and EIN of all other members
 - Total employees for each month
 - Total full-time employees (30/wk OR 130/mo) for each month
 - For each full-time employee:
 - Name, SSN, Address
 - Which months coverage was offered
 - Coverage offered for the month only if it would provide coverage for every day during the month
 - Employee contribution amount for lowest cost single coverage option offered



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Information Required

- Applicable Large Employer (self-funded coverage)
 - For all covered individuals (employee and dependents):
 - Name
 - SSN (or DOB if SSN is not available)
 - Coverage for each calendar month (Y or N)
 - Individual is considered to have coverage for the month if covered any day during the month
- Small employer – less than 50 FTEs (self-funded coverage)
 - Same as above



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Applicable Regulation Basics

- 4980H
 - Who is an “applicable large employer” – 50 or more FTEs?
 - Who is a full-time employee?
 - 30 hours of service/wk OR 130 hours of service/mo
 - Employer may use the monthly measurement method OR look-back measurement method
 - What constitutes an “offer” of coverage?
 - Limited non-assessment period (i.e. waiting period or initial measurement period)
 - Does the plan offer “minimum value” – 60% actuarial value?
 - Is the employee contribution for single coverage “affordable” – cannot exceed 9.56% of household income?
 - Affordability safe harbors (9.5% of W-2 income, rate of pay, or FPL)



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Applicable Regulation Basics

- 4980H
 - Transition relief
 - 50-99 FTEs generally don't have to comply until plan renewal 2016
 - Employers with 100 or more FTEs
 - Non-calendar year plans satisfying certain criteria may wait until plan year renewal in 2015 to comply (rather than Jan. 2015)
 - No penalty under 4980H(a) so long as coverage is offered to 70% of full-time employees (rather than 95%)
 - In calculating potential penalty under 4980H(a), there is a waiver for the first 80 full-time employees (rather than 30)
 - No offer of coverage currently available to dependents, but taking steps to extend coverage going forward
 - For Jan. 2015, coverage is offered no later than the 1st day of the 1st payroll



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Applicable Regulation Basics

- Section 414 (Controlled Group) Rules
 - These rules existed for years prior to the passage of the ACA for other tax-related issues such as 401k plans
 - Via shared ownership or services, separate entities may be considered a controlled group or affiliated service group and treated as a single employer for purposes of various ACA requirements
 - When determining status as an “applicable large employer”, all FTEs are aggregated across entities within a controlled group/affiliated service group
 - When calculating potential penalties under 4980H(a), the waiver is applied across entities within a controlled group/affiliated service group on a pro rata basis



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Applicable Regulation Basics

- Section 414 (Controlled Group) Rules
 - For an employee shared between entities within a controlled group/affiliated service group, the entity providing the most hours of service in any particular calendar month is considered the employer
 - Each entity is responsible for offering coverage to full-time employees and reporting, but one entity within a controlled group/affiliated service group may offer coverage and/or report on behalf of another entity within a controlled group/affiliated service group



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Method of Reporting

- Use Forms 1094 and 1095 for reporting
- IRS released draft forms and instructions
 - Form 1094-B and Form 1095-B and Instructions
 - <http://www.irs.gov/pub/irs-dft/f1094b--dft.pdf>
 - <http://www.irs.gov/pub/irs-dft/f1095b--dft.pdf>
 - <http://www.irs.gov/pub/irs-dft/i109495b--dft.pdf>
 - Form 1094-C and Form 1095-C and Instructions
 - <http://www.irs.gov/pub/irs-dft/f1094c--dft.pdf>
 - <http://www.irs.gov/pub/irs-dft/f1095c--dft.pdf>
 - <http://www.irs.gov/pub/irs-dft/i109495c--dft.pdf>



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Method of Reporting

- If filing 250 or more 1095-Cs, required to file electronically when reporting to the IRS
- Individual statements must be provided to employees by mail unless recipient affirmatively consents to receive the statement electronically
 - Individual may consent on paper or electronically (i.e. by email); if on paper, individual must confirm the consent electronically
 - Statement may be furnished electronically by email or by providing information with how to access the statement on the employer's website



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Form Details

- Form 1094
 - Used to report employer summary information to the IRS
 - Think of it as a cover sheet for the individual employee forms
- Form 1095
 - Used to report employee-specific information
 - In general, one is required for:
 - a) Each full-time employee; and
 - b) Each covered employee under a self-funded plan
- Both forms are filed with the IRS and a copy of Form 1095 is provided to each full-time and/or covered employee



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Form Details

- Forms 1094-B/1095-B versus Forms 1094-C/1095-C
 - Form (C) is generally used by applicable large employers
 - Form (B) is generally used by small employers (< 50 FTEs) offering self-funded minimum essential coverage
- Employer Identification Number (EIN)
 - A valid EIN is required for reporting
 - May not be truncated on any statement
- Social Security Number (SSN) / Tax Identification Number (TIN)
 - Cannot be truncated on forms filed with the IRS
 - May be truncated to only show last 4 digits on employee statements



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Form 1094-C

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



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Form Details

- Simplified Reporting
 - Qualifying Offer Method
 - Qualifying Offer =
 - a) Minimum value coverage for which the amount of employee contribution for single coverage does not exceed 9.5% of FPL (approx. \$92) offered to the full-time employee; AND
 - b) Minimum essential coverage (MEC) offered to spouse and dependents
 - Advantage - for any employee receiving a qualifying offer for all 12 months of the calendar year, the employer may provide a simple statement to the employee indicating that the employee and dependents are not eligible for a subsidy through a public Marketplace (rather than a copy of the 1095-C filed with the IRS)



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Form Details

- Simplified Reporting

- QUALIFYING OFFER METHOD TRANSITION RELIEF - For 2015 only...

If a qualifying offer is made to at least 95% of full-time employees for 1 or more months, for employees not receiving a qualifying offer for all 12 months, the employer may provide a simple statement to the employee indicating that the employee and dependents may be eligible for a subsidy through a public Marketplace for some months during the year (rather than a copy of the 1095-C filed with the IRS)



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Form Details

- Simplified Reporting
 - 98% Offer Method
 - Minimum value coverage for which the amount of employee contribution for single coverage meets one of the affordability safe harbors (FPL, Rate of Pay, or W-2 income) offered to at least 98% of all full-time employees and their dependent children for all 12 months
 - Advantage - Employer is not required to provide total full-time employee count for each month



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Form Details

- 4980H Transition relief
 - 50-99 FTEs generally don't have to comply until 2016, but must still report for 2015
 - Employers with 100 or more FTEs
 - Non-calendar year plans satisfying certain criteria may wait until plan year renewal in 2015 to comply (rather than January 2015)
 - No penalty under 4980H(a) so long as coverage is offered to 70% of full-time employees (rather than 95%)
 - In calculating potential penalty under 4980H(a), there is a waiver for the first 80 full-time employees (rather than 30)
 - No penalty for failure to offer coverage to dependents so long as employer takes steps to extend coverage going forward



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Form 1094-C

Form 1094-C (2014) Page 1

		(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"/>	



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Form Details

- Column (a)
 - Mark an 'X' in the yes box for any months the employer offered minimum essential coverage (MEC) to at least 95% of full-time employees and their dependents
 - NOTE – mark 'yes' if transition relief applies:
 - 100 or more FTEs that offer coverage to at least 70% of full-time employees
 - 100 or more FTEs that are taking steps to offer coverage to dependents
 - 100 or more FTEs that qualify for non-calendar year transition relief
 - For Jan. 2015, coverage is offered no later than the 1st day of the 1st payroll



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Form Details

- Column (b)
 - Provide full-time employee count (determined using either the monthly measurement method or the look-back measurement method)
 - Do not count individuals in a limited non-assessment period due to a waiting period or initial measurement period
 - This column may be left blank if employer qualifies for the 98% offer method
- Column (c)
 - Enter total number of employees (full-time and part-time) for each month
 - Use either the first or the last day of each month on a consistent basis



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Form Details

- Column (d)
 - Mark an 'X' in the box for any months the employer was a member of a controlled group/affiliated services group
- Column (e)
 - Code 'A' if 50-99 transition relief applies
 - Code 'B' if 100 or more FTEs transition relief applies
 - Waiver of the first 80 full-time employees in calculating penalty 4980H(a)
 - Offer of coverage to at least 70% of full-time employees
 - No offer of coverage to dependents, but taking steps to extend coverage going forward
 - Non-calendar year plan



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Form 1094-C

Form 1094-C (2014)

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** (2014)



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Form 1095-C

Internal Revenue Service													
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)				
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)													



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Form Details

- Line 14 – Offer of Coverage
 - 1A = Qualifying Offer -
 - a) Minimum value coverage for which the amount of employee contribution for single coverage does not exceed 9.5% of FPL offered to the full-time employee; AND
 - b) Minimum essential coverage (MEC) offered to spouse and dependents
 - 1B = MV offer to employee only
 - 1C = MV offer to employee and MEC offer to dependent children
 - 1D = MV offer to employee and MEC offer to spouse
 - 1E = MV offer to employee and MEC offer to spouse and dependent children



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Form Details

- Line 14 – Offer of Coverage (continued)
 - 1F = MEC offer to (i) employee, (ii) employee and spouse or dependent children, or (iii) employee, spouse and dependent children
 - 1G = Offer of coverage to non full-time employee for any month who enrolled in self-funded coverage
 - 1H = No offer of coverage
 - 1L = Qualified Offer Transition Relief 2015 – no offer of coverage or not a qualifying offer or not a qualifying offer for all 12 months, but a qualifying offer was made to at least 95% of full-time employees and their spouses and dependent children



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Form Details

- Line 15 – Employee Contribution
 - Provide amount of employee contribution for single coverage required for lowest cost minimum value plan offered
 - If minimum value plan not offered, leave blank



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Form Details

- Line 16 – 4980H Safe Harbor
 - 2A = Employee not employed during the month
 - 2B = Employee not full-time during the month and not enrolled in coverage
 - 2C = Employee enrolled in coverage (if this is the case, use this code regardless of if any other code applies)
 - 2D = Employee in a limited non-assessment period (i.e. waiting period or initial measurement period)



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Form Details

- Line 16 – 4980H Safe Harbor (continued)
 - 2E = Multiemployer interim rule relief (employer contributes to a plan that makes an offer of coverage on its behalf – generally a collectively bargained agreement)
 - 2F = Form W-2 affordability safe harbor
 - 2G = Federal Poverty Line (FPL) affordability safe harbor
 - 2H = Rate of pay affordability safe harbor
 - 2I = Non-calendar year transition relief



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Form 1095-C

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)



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- PayneWest Insurance
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- The Rowley Agency
- Smith Brothers Insurance
- Starkweather & Shepley Insurance Brokerage
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Thank you.



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