

Preparing for ACA Reporting

February 2024

Today's Presenter

Nicole Hanrahan, Esq. Sr. Legal Content Attorney

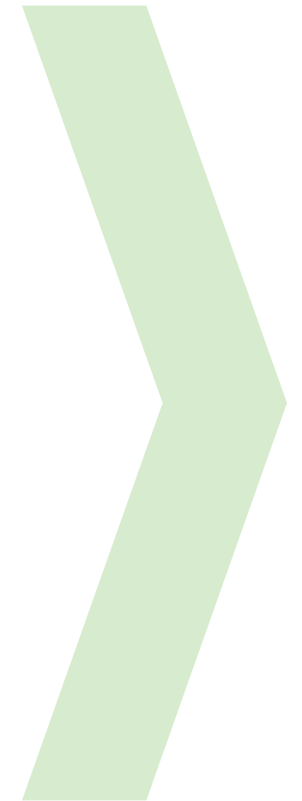
- Employment and benefits attorney
- Educates employers on compliance and legal issues involving health plans
- Expertise in ACA and other employee benefits laws





Agenda

- Section 6055 and 6056 Overview
- Electronic Reporting
- Reporting Penalties
- Section 6055: Information to be Reported
- Section 6056: Information to be Reported





Section 6055 and 6056 Overview

Overview

Section 6055

- Applies to providers of minimum essential coverage (MEC) → health insurance issuers and self-funded plan sponsors
- Use **Forms 1094-B and 1095-B** to report information on health coverage for individuals to the IRS and individuals*

Section 6056

- Applies to applicable large employers (ALEs)
- Use **Forms 1094-C and 1095-C** to report information on offers of health coverage to FT employees and family members to the IRS and FT employees

Self-funded ALEs may use Forms 1094/1095-C to report under both sections

Section 6056: Applicable Large Employers

Applicable Large Employer (ALE)

- For a calendar year, an employer that employed, on average, at least 50 full-time employees during the prior calendar year
- **Same definition as the pay or play rules**

Full-time Employee

- Employed on average at least **30 hours of service per week** (130 hours in a calendar month)

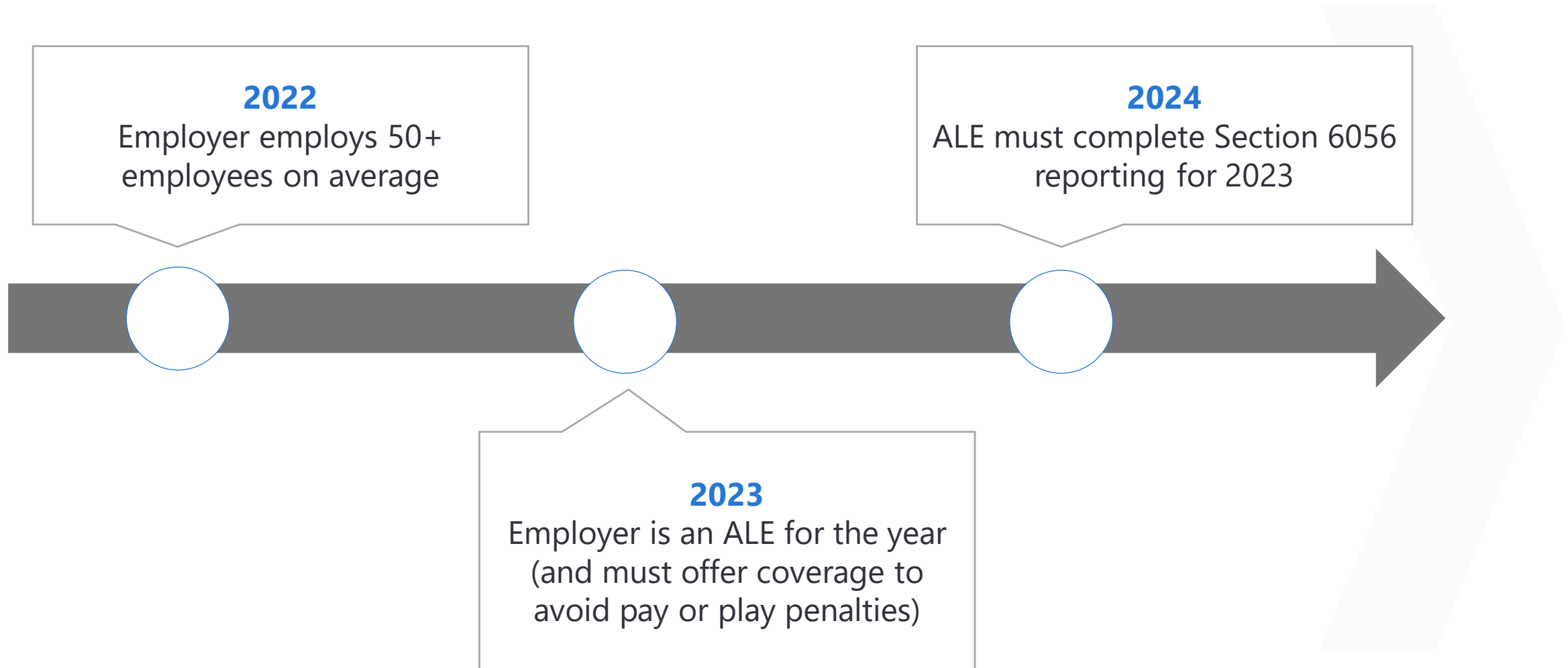
Full-time Equivalent

- Add hours of service of PT employees (up to 120 per employee per month)
- Divide by 120

Calculation

- Calculate number of FT employees for each month
- Calculate number of FT equivalent employees for each month
- Add monthly totals together
- Divide total number by 12 to get the average

ALE Reporting Timeline

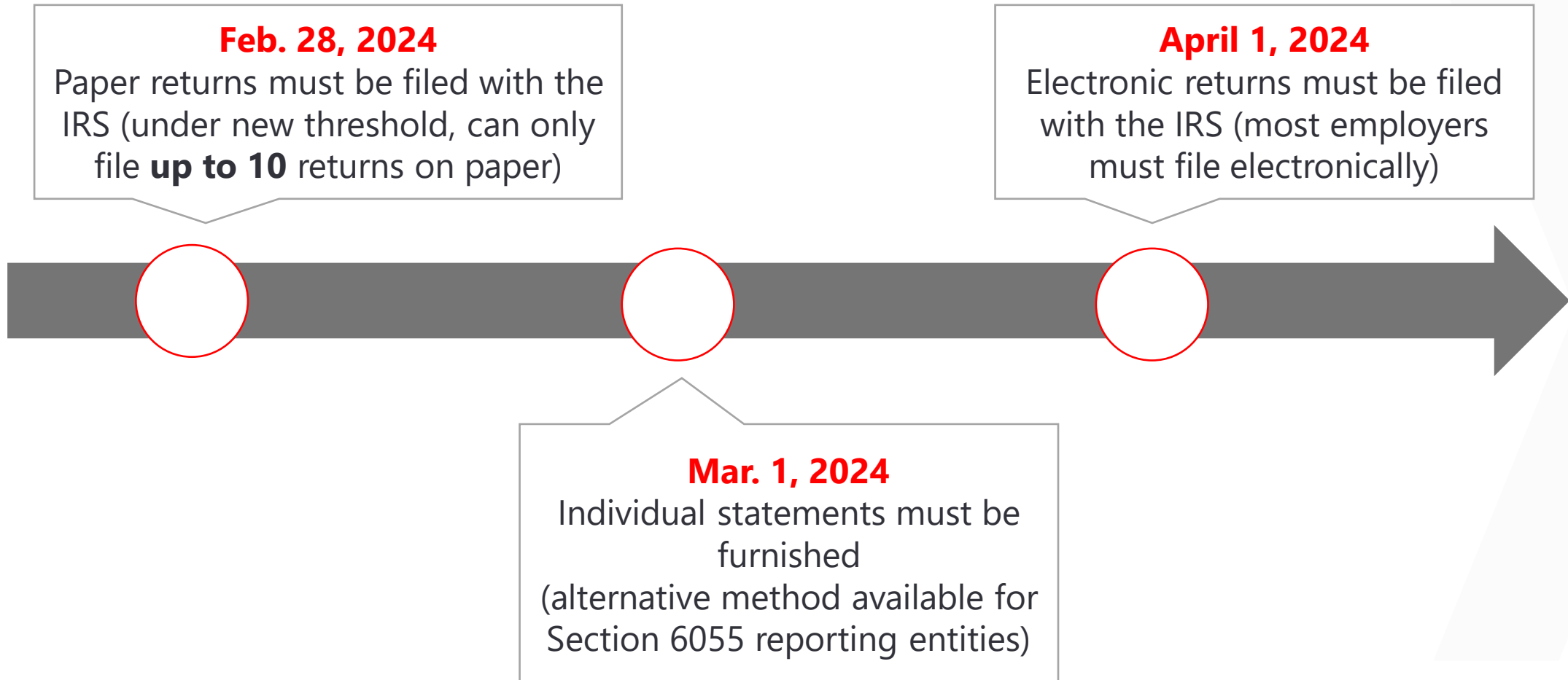


ACA Reporting Cheat Sheet

Small Employer (Insured Plan or No Plan)	Small Employer (Self-insured Plan)	ALE (Insured Plan or No Plan)	ALE (Self-Insured Plan)
<p>NOTHING</p> <ul style="list-style-type: none"> Insurer does Section 6055 reporting Section 6056 does not apply 	Section 6055	Section 6056	Sections 6055 and 6056
	Form 1094-B Form 1095-B	Form 1094-C Form 1095-C (Parts I and II)	Form 1094-C Form 1095-C (Parts I, II and III)
	Information about individuals covered under the plan	Information about offer of coverage to FT employees and dependents	Information about: <ul style="list-style-type: none"> Individuals covered under the plan AND Offer of coverage to FT employees and dependents

Filing and Furnishing Deadlines

Section 6055 and 6056



6055: Alternative Method for Furnishing Individual Statements

- **IRS final regulations:** reporting entities do not have to furnish individual statements if requirements of alternative method are met
- Reporting entity must:
 - Post a clear and conspicuous notice on its website stating that responsible individuals may receive a copy of their Form 1095-B upon request (along with certain contact info)
 - Provide the notice in plain, non-technical terms and a format that calls attention to the nature of the statement
 - Retain the website notice through Oct. 15 of the following year (Oct. 15, 2024 for 2023 statements)
 - Furnish any requested statement within 30 days

Alternative method does not apply to Form 1095-C requirement for FT employees

Additional Information

Reporting Deadlines

- **Individual statements were previously due Jan. 31 each year**
 - 2022 final regulations provide an automatic 30-day extension and alternative method of furnishing Forms 1095-B
- **IRS returns**
 - Automatic 30-day extension by filing Form 8809 by the due date of the returns
 - Additional 30-day extension may be available under certain hardship conditions

If the normal deadline falls on a weekend or holiday, the due date is the next business day



Electronic Reporting



Electronic Filing of IRS Returns

- In 2023, the IRS released a final rule that substantially expands the electronic filing requirement to more entities beginning in 2024.
 - The previous 250-return threshold for mandatory electronic reporting is lowered to entities that file **at least 10 returns**.
 - The 10-or-more requirement applies in the **aggregate** to certain information returns.

The expanded requirements apply to returns required to be filed during 2024. This means that, starting in 2024, only very small entities will be able to continue reporting to the IRS on paper forms.

Electronic Reporting Waivers

To receive a waiver:

- Submit Form 8508 (*Request for Waiver From Filing Information Returns Electronically*)
- Encouraged to file at least **45 days before the due date** of the returns, but no later than the due date of the return
- Waiver requests **will not be processed until Jan. 1** of the year the returns are due

Filing without an approved waiver:

- A failure to file electronically when required to do so may result in a penalty of up to \$310 per return (as adjusted each year)
- Can file **up to 10 returns on paper (new threshold)**; those returns will not be subject to a penalty for failure to file electronically

AIR System

Electronic Reporting Process

- Electronic returns must be filed with the IRS through the **ACA Information Return (AIR) system**
- *Pub. 5165, Guide for Electronically Filing Affordable Care Act (ACA) Information Returns for Software Developers and Transmitters*
 - Specifies the communication procedures, transmission formats, business rules and validation procedures for software development
 - Explains when a return will be accepted, accepted with errors, or rejected for returns filed electronically through the AIR system
- Software developers, transmitters, and issuers (including ALEs filing their own forms) should use Pub. 5165 and the IRS Extensible Markup Language (XML) Schemas to develop software for use with the AIR system
- **AIR Help Desk** has been designated as the first point of contact for electronic filing issues (1-866-937-4130)



Furnishing Statements Electronically

- Statements must be mailed or hand delivered unless the recipient affirmatively consents to receive the statement in an electronic format
 - Consent must relate specifically to the Form 1095-B or 1095-C
 - Consent may be provided on paper or electronically (such as by email)
 - Paper consent must be confirmed electronically
- Statements may be furnished electronically by email or by informing the individual how to access the statement on the reporting entity's website
- Different rules apply for coverage under an expatriate health plan



Penalties for Reporting Violations

Tax Code Penalty Provisions

- General tax code penalty provisions apply to Section 6055 and 6056 violations
 - Failure to file correct information returns with the IRS
 - Failure to furnish correct statements to individuals
- Base penalty amounts started at \$250 per violation and are adjusted each year
- Penalty relief is available for failures due to reasonable cause at IRS discretion (short-term penalty relief for good faith efforts has expired)

Penalty amounts increased to \$310 per violation for 2023 reports that are filed in 2024

Adjusted Reporting Penalties

Penalty Type	Per Violation			Annual Maximum			Annual Max for Small Employers*		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
General	\$290	\$310	\$330	\$3,532,500	\$3,783,000	\$3,987,000	\$1,177,500	\$1,261,000	\$1,329,000
Corrected within 30 days	\$50	\$60	\$60	\$588,500	\$630,500	\$664,500	\$206,000	\$220,500	\$232,500
Corrected after 30 days and before Aug. 1	\$110	\$120	\$130	\$1,766,000	\$1,891,500	\$1,993,500	\$588,500	\$630,500	\$664,500
Intentional Disregard	\$580	\$630	\$660	None			N/A		

**For purposes of the penalty maximum, a small employer is one that has average annual gross receipts of up to \$5 million for the most recent three taxable years*

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Section 6055: Information to be Reported

Section 6055 – Form 1094-B: Transmittal of Health Coverage Information Returns



110116

Form **1094-B** **Transmittal of Health Coverage Information Returns** OMB No. 1545-2252
 Department of the Treasury Internal Revenue Service **2023**
 Go to www.irs.gov/Form1094B for instructions and the latest information.

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** (2023)

- Complete one Form 1094-B for the filing
- Include filer's name, EIN and contact information
- Specify the number of Forms 1095-B submitted with the transmittal
- *ALEs that sponsor self-funded plans can use Forms 1094-C and 1095-C for combined 6055/6056 reporting*



Section 6055 – Form 1095-B: Health Coverage

560118

Form **1095-B** **Health Coverage** VOID CORRECTED OMB No. 1545-2252
 Department of the Treasury Internal Revenue Service Do not attach to your tax return. Keep for your records. **2023**
 Go to www.irs.gov/Form1095B for instructions and the latest information.

Part I Responsible Individual

1 Name of responsible individual—First name, middle initial, last name 2 Social security number (SSN) or other TIN 3 Date of birth (if SSN or other TIN 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 Health Coverage (see instructions for codes): 9 Reserved

Part II Information About Certain 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.)

(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23			<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"/>
24			<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"/>
25			<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"/>
26			<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"/>
27			<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"/>
28			<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. 60704B Form **1095-B** (2023)

- Complete one for each responsible individual (employee) *ALEs can use 1094-C/1095-C*
- **Part I:** Responsible Individual and Origin of Health Coverage information (use B for employer-sponsored coverage except an ICHRA; use G for an ICHRA)
- **Part II:** Information about Certain Employer-Sponsored Coverage (insurance issuers only)
- **Part III:** Issuer or Other Coverage Provider information
- **Part IV:** Covered Individuals (name, SSN/TIN/DOB and months of coverage)

Section 6055: Reporting for ICHRAs

- ICHRA: an HRA that can be integrated with individual health insurance coverage or Medicare, subject to strict conditions
- **Line 8 of Form 1095-B requires a code indicating the origin of the health coverage provided**
- Code G should be used on line 8 to indicate that the coverage provided is “Employer-sponsored coverage that is an individual coverage HRA”

An ICHRA is a self-insured plan subject to Section 6055 reporting

Reporting of HRA Coverage

Traditional vs. Individual Coverage HRAs

Reporting traditional HRA coverage is not required if:

- The employer is the provider of both types of coverage
 - For example, the employer offers a self-insured major medical plan and traditional HRA
- The HRA is offered only to individuals who are also covered by other MEC for which reporting is required
 - For example, an employer offers both an insured group health plan and an HRA that an employee is eligible for if the employee enrolls in the insured group health plan, and an employee enrolls in both

If an individual is covered by any HRA and a non-HRA group health plan that are sponsored by different employers, each employer or carrier must report the coverage they provide

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Section 6056: Information to be Reported



Section 6056 – Form 1094-C: Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

12011A

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 **2023**
Go to www.irs.gov/Form1094C for instructions and the latest information.

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 <input type="checkbox"/>			
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 <input type="checkbox"/>			

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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. Reserved
 C. Reserved
 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** (2023)

- Complete at least one (must have one authoritative transmittal)
- **Part I: ALE Member** name/EIN/contact information, total number of forms sent with transmittal and authoritative transmittal checkbox
- **Part II: ALE Member Information** (total no. of Forms 1095-C filed, Aggregated ALE group checkbox, certification of eligibility for Qualifying Offer Method or 98% Offer Method) – authoritative transmittal only



Section 6056 – Form 1094-C: Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

120218

Form 1094-C (2023) Page 2

Part III ALE Member Information—Monthly

	(a) Minimum Essential Coverage Offer Indicator		(b) Section 4980H Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Reserved
	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 (2023)

- **Part III: ALE Member Information Monthly**
 - a) Minimum Essential Coverage Offer Indicator (Y/N)
 - b) Section 4980H FT Employee Count for ALE Member
 - c) Total Employee Count for ALE Member
 - d) Aggregated Group Indicator
- Complete for all 12 months (if consistent) or each month individually (if varied)

Section 6056 – Form 1094-C: Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns



120316

Form 1094-C (2023)

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 (2023)

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

Section 6056 – Form 1095-C Employer-Provided Health Insurance Offer and Coverage

600120

Form **1095-C** Department of the Treasury Internal Revenue Service
Employer-Provided Health Insurance Offer and Coverage
 Do not attach to your tax return. Keep for your records.
 Go to www.irs.gov/Form1095C for instructions and the latest information.

VOID
 CORRECTED
 OMB No. 1545-2251
2023

Part I Employee **Applicable Large Employer Member (Employer)**

1 Name of employee (first name, middle initial, last name)		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 of Coverage **Employee's Age on January 1** **Plan Start Month** (enter 2-digit number):

14 Offer of Coverage (enter required code)	Employee's Age on January 1												Plan Start Month (enter 2-digit number):		
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Aug	Sept
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)															
17 ZIP Code															

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form **1095-C** (2023)

- Complete one for each full-time employee (6056) or responsible individual (6055/6056)
- **Part I:** Employee name/SSN/ address, ALE name/EIN/address
- **Part II:** Employee Offer of Coverage
 - Employee's Age on Jan. 1 (ICHRA only)
 - Plan Start Month (2-digit number)
 - Line 14: Offer of Coverage code
 - Line 15: EE Required Contribution
 - Line 16: Section 4980H Safe Harbor and Other Relief code (if applicable)
 - Line 17: Zip Code (ICHRA only)



Section 6056 – Form 1095-C Employer-Provided Health Insurance Offer and Coverage

Form 1095-C (2023) 600320
Page 3

Part III Covered Individuals
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee.

	(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage											
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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"/>
23				<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"/>
24				<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"/>
25				<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"/>
26				<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"/>
27				<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"/>
28				<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"/>
29				<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"/>
30				<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"/>

Form 1095-C (2023)

- **Part III: Covered Individuals**
- If employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee

Who is a Full-Time Employee?

An employee who is determined to be a full-time employee under the monthly or the look-back measurement method (as applicable) for a calendar month

- ALEs must report complete information for all 12 months of the calendar year for anyone who was a full-time employee for one or more months of the calendar year
- Employees in a Limited Non-Assessment Period are not considered FT employees for purposes of 1094/1095-C reporting
 - A Form 1095-C is not required if the individual was not employed or was in a Limited Non-Assessment Period for each month of the year
 - For months in which the employee was employed by the ALE, they would be included in the total employee count reported on Form 1094-C (but not the FT employee count)
 - If the employee enrolled in coverage under a self-insured, employer-sponsored plan during the Limited Non-Assessment Period, the ALE must file a Form 1095-C for the employee to report coverage information for the year

Optional Offer Methods

Qualifying Offer Method

- ALE must have made a Qualifying Offer to at least one FT EE
- Alternative method of completing and furnishing Form 1095-C
 - Use Code 1A on line 14, do not complete lines 15 and 16
 - Can issue a statement regarding the Qualifying Offer to the FT EE in lieu of a Form 1095-C if the offer was for all 12 months and the EE did not enroll in an employer-sponsored self-insured plan

98% Offer Method

- ALE that offers MV MEC to at least 98% of FT employees (and MEC to their dependents) does not have to complete the FT EE count column on Form 1094-C



Form 1095-C Offer of Coverage Codes (Line 14)

CODE	EXPLANATION
1A	Qualifying Offer: Employee offered MV MEC that is affordable based on FPL and MEC offered to spouse and dependent(s)
1B	MV MEC offered to employee only
1C	MV MEC offered to employee and at least MEC offered to dependent(s) (not spouse)
1D	MV MEC offered to employee and at least MEC offered to spouse (not dependent(s))
1E	MV MEC offered to employee and at least MEC offered to dependent(s) and spouse
1F	MEC NOT providing MV offered
1G	Offer of coverage to non-EE or non-FT EE who enrolled in self-insured coverage for one or more months (applies for the entire year or not at all)

CODE	EXPLANATION
1H	No offer of coverage (employee not offered any health coverage or employee offered coverage that is not MEC). Use this code if multiemployer interim rule relief applies or to report COBRA offer to a former employee
1I	Reserved
1J	MV MEC offered to employee and: <ul style="list-style-type: none">• At least MEC conditionally offered to spouse;• MEC not offered to dependent(s).
1K	<ul style="list-style-type: none">• MV MEC offered to employee;• At least MEC offered to dependents; and• At least MEC conditionally offered to spouse.

Form 1095-C: Offer of Coverage Codes for ICHRAs

CODE	EXPLANATION
1L	ICHRA offered to employee only with affordability determined by using employee's primary residence location zip code.
1M	ICHRA offered to employee and dependent(s) (not spouse) with affordability determined by using employee's primary residence location zip code.
1N	ICHRA offered to employee, spouse and dependent(s) with affordability determined by using employee's primary residence location zip code.
1O	ICHRA offered to employee only using the employee's primary employment site zip code affordability safe harbor.
1P	ICHRA offered to employee and dependent(s) (not spouse) using the employee's primary employment site zip code affordability safe harbor.
1Q	ICHRA offered to employee, spouse and dependent(s) using the employee's primary employment site zip code affordability safe harbor.
1R	ICHRA that is NOT affordable offered to employee; employee and spouse or dependent(s); or employee, spouse and dependents.
1S	ICHRA offered to an individual who was not a full-time employee.
1T	ICHRA offered to employee and spouse (not dependents) with affordability determined using employee's primary residence location ZIP code.
1U	ICHRA offered to employee and spouse (not dependents) using employee's primary employment site ZIP code affordability safe harbor.
1V-1Z	Reserved for future use

Form 1095-C: Line 15

Employee Required Contribution

Line 15:

- Enter employee share of lowest cost monthly premium for self-only MEC providing MV that is offered to the employee

Additional Instructions:

- Do not complete Line 15 if Code 1A, 1F, 1G, 1H, 1R, or 1S is entered on Line 14
- If the employee is offered coverage but is not required to contribute to the premium, enter **“0.00”** (do not leave blank)

Note:

- The amount entered may not be the amount the employee is paying for the coverage (for example, if the employee chose to enroll in more expensive coverage)



Form 1095-C: Safe Harbor Codes (Line 16)

- Enter the applicable code if a Section 4980H Safe Harbor applies (otherwise leave blank)
- **There is no specific code to indicate that a full-time employee either did not enroll or waived the coverage**

Code 2C should be used for any month in which the employee enrolled in the coverage, regardless of whether any other code could also apply (other than Code 2E)

CODE	EXPLANATION
2A	Employee not employed on any day of the month
2B	Employee not a full-time employee or termed employment and coverage before the end of the month
2C	Employee enrolled in MEC offered
2D	Employee in a 4980H(b) Limited Non-Assessment Period (such as a waiting period or IMP)
2E	Multiemployer interim rule relief (ALE contributed to qualified multiemployer plan)

CODE	EXPLANATION
2F	4980H affordability Form W-2 safe harbor
2G	4980H affordability federal poverty line safe harbor
2H	4980H affordability rate of pay safe harbor
Note: an affordability safe harbor code (2F, 2G or 2H) cannot be used if the ALE didn't offer MEC to at least 95% of FT EEs (and dependents)	
2I	Reserved for future use



Questions?

HRCI Credit Information

Activity/Program ID: 661504

Title: Preparing for ACA Reporting

Activity Date: 2/28/2024



Thank You!

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