

Affordable Care Act 2016 and Beyond ...



Tools You Can Use

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Affordable Care Act

TODAY'S AGENDA:

- Where do things stand now...?
- Key issues through initial implementation
- Looking ahead
- 1094 / 1095 Reporting

Affordable Care Act

Where do things stand now...?



Affordable Care Act

Recap of major developments:

- Federal and state Insurance Exchanges or “Marketplaces” opened in 2014
- Individual Mandate became effective in 2014
- Employer Mandate (finally) became effective for some employers in 2015
 - Final substantive guidance issued back in February of 2014
 - Final tax reporting guidance issued back in March of 2014
 - Final tax reporting forms and instructions issued in September of 2015
- Employer Mandate (finally) becomes fully effective in 2016
- Employer Mandate information reporting became effective in 2015 (first reports to be furnished and filed in 2016 using 2015 data)

Affordable Care Act

The ACA
is still a
bit of a
moving
target...

- **Legislative updates:**
 - Continuing efforts to repeal...
 - July 2015 amendment permitting exclusion of individuals covered by uniformed service plans (including TRICARE) or Veterans' Affairs (VA) programs for purposes of the "50 or more" / "large employer" test
 - October 2015 amendment eliminating mandatory expansion of small group insurance market from "50 or fewer" to "100 or fewer" (states may now decide on their own...)

Affordable Care Act

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target...

- **Legislative updates (continued):**
 - November 2015 amendment repealing “automatic enrollment” requirement
 - December 2015 amendment delaying “Cadillac tax” from 2018 to 2020
- **Regulatory updates:**
 - Initial IRS Form 1095 furnishing deadline delayed two months from January 31, 2016 to March 31, 2016
 - Initial IRS Form 1094 and 1095 filing deadline delayed three months from February 29, 2016 to May 31, 2016 (March 31, 2016 to June 30, 2016 if filing electronically)

Affordable Care Act

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- **Regulatory updates (continued):**

- IRS Notice 2015-87 (released on December 16, 2015)
 - Year-end “grab bag” of “clarifying” guidance and transitional relief...
 - Statutory cost-of-living adjustments to 9.5% affordability factor will be extended to ACA employer mandate regulatory safe harbors: 9.56% for 2015 and 9.66% for 2016
 - Statutory inflation adjustments to ACA employer mandate \$2,000 / \$3,000 penalties: \$2,080 / \$3,120 in 2015 and \$2,160 / \$3,240 in 2016
 - “Hours of service” do not include legally required workers’ compensation, unemployment or state disability payments

Affordable Care Act

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target...

- **Regulatory updates (continued):**

- IRS Notice 2015-87 (released on December 16, 2015)
 - “Hours of service” do include payments from employer-provided STD or LTD coverage, even if from a carrier or other third party
 - Certain HRA amounts will be treated as reducing an employee’s cost of coverage for ACA employer mandate affordability purposes
 - Reiterates that only “health flex contributions” under a cafeteria plan (or 125 plan) will be treated as reducing an employee’s cost of coverage for ACA employer mandate affordability purposes
 - 2016 plan year relief for other “non-health” flex contributions already in place by December 16, 2015

Affordable Care Act

The ACA
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target...

- Regulatory updates (continued):
 - IRS Notice 2015-87 (released on December 16, 2015)
 - Reiterates IRS view that “opt-out payments” or “waiver payments” should be treated as increasing an employee’s cost of coverage for ACA employer mandate affordability purposes
 - IRS will soon propose regulations on this view
 - Relief for “opt-out payments” or “waiver payments” already in place by December 16, 2015 for periods before effective date of regulations (most likely just for 2016 plan year and prior)
 - Hint that future regulations may distinguish situations where payments are conditioned on proof of coverage under spouse’s group coverage or other group coverage

Affordable Care Act

The ACA
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target...

- Regulatory updates (continued):
 - IRS Notice 2015-87 (released on December 16, 2015)
 - Reiterates IRS concern that prevailing wage fringe amounts available in the form of cash or other non-health benefits should perhaps be treated as increasing an employee's cost of coverage for ACA employer mandate affordability purposes
 - IRS acknowledges resulting “dilemma” for prevailing wage employers and thus expects to issue future guidance on the issue
 - Relief for fringe amounts available in cash or other non-health benefits for periods before effective date of future guidance (at least for 2016 plan year and prior)
 - Hint that future guidance may eliminate the “dilemma” in some way

Affordable Care Act

The ACA
is still a
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target...

- Regulatory updates (continued):
 - IRS Notice 2015-87 (released on December 16, 2015)
 - For 2016 IRS Forms 1095-C, non-health flex contributions, opt-out / waiver payments and prevailing wage fringe amounts entitled to relief may be taken into account for purposes of reporting employee contributions
 - However, employees will not be negatively impacted by the relief
 - IRS encourages not taking such amounts into account for purposes of reporting employee contributions and then just claiming the applicable relief, if necessary...

Many questions still remain...

Affordable Care Act

Key Issues Through Initial Implementation



Affordable Care Act

Employer Mandate information reporting

- Most employers will use IRS forms 1094-C and 1095-C
- Similar to IRS form W-2 reporting
- Difference between “applicable large employer” (ALE) reporting and insurance carrier reporting (if applicable)
- Reporting for self-funded (or “self-insured”) plans
- **All months must be accounted for on ALE reporting (remember— line 16 explains line 14...)**
- Potential need for dependent SSNs
- Many employers outsourcing (garbage in, garbage out...)
- Good faith compliance standard for first year of reporting

Affordable Care Act

Administering a Measurement / Stability Period System

Why do it?

Basic concept

Don't forget *initial* measurement / stability periods

Remember the purpose of the IRS rules

Oftentimes there are business reasons to be more generous than the IRS rules

Are you spending the insurance carrier's money?

What about other benefits (life, disability, etc.)?

Putting something in writing...

Affordable Care Act

Group Health Plan Benefits During a Leave

The “old way” vs. the “new way” for ALEs

Hours worked vs. “hours of service”

Paid vs. unpaid leave

What about third-party disability payments?

Breaks in service

Minimum requirements vs. “the real world”

Employees still have to pay their share of the premiums

All the more reason to put something in writing...

Affordable Care Act

Affordability Safe Harbors

- What's the alternative?
- W-2 safe harbor
- Rate of pay safe harbor
- Federal poverty line safe harbor
- **Each safe harbor has its own specific rules**
- Effect of wellness discounts or surcharges

Affordable Care Act

- **“Reimbursements” for individual market coverage (including Exchange coverage) now prohibited**
- Be careful with “skinny plans” or “MEC plans”
- Temps, PEOs and other staffing concepts
- For smaller employers:
 - Counting employees
 - Properly identifying the “controlled group”
 - When is compliance required (transition rules)?

Other key
issues



Affordable Care Act

Looking Ahead



Affordable Care Act

What's next? [or perhaps... What now?!]

- Steady stream of new guidance will continue
- Possible legislative changes
- Future nondiscrimination rules for fully-insured plans
- **Preparing for future tax assessments**

Affordable Care Act

A close-up photograph of a person's hands writing on a notepad. The person is holding a black pen with gold accents. In the background, a laptop keyboard and a computer mouse are visible. The scene is set on a wooden desk.

**1094 and 1095
Reporting**

Information Reporting Under Sections 6055 & 6056

Section 6055 – enforce compliance with the Individual Mandate

Section 6056 – enforce compliance with the Employer Mandate

All reporting is based on the calendar year

- regardless of the company's tax year, or
- The plan year of the health plan

Reporting is required beginning with 2015 calendar year


Final forms for 2015 were issued September 16, 2015

Individual Mandate


New question on Line 61 of Form 1040 that all tax filers will have to answer for 2014

Other Taxes	57	Self-employment tax. Attach Schedule SE	57		
	58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919 . .	58		
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . .	59		
	60a	Household employment taxes from Schedule H	60a		
	b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b		
	61	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	61		
	62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) <input type="text"/>	62		
	63	Add lines 56 through 62. This is your total tax ▶	63		

Questions?



How does an individual taxpayer or their tax preparer know how to properly answer Line 61 on Form 1040?



Additionally, how does the IRS know whether or not the taxpayer who checked the box YES has the coverage they say they have?

Answers

Code Section 6055 provides for new tax forms that specific parties are responsible to prepare and file with the IRS on an annual basis so that the federal government can properly administer the Individual Mandate

Section 6055-Who is responsible for reporting?

Plan type	Section 6055 Reporting
Fully insured plan	Health insurance issuer or carrier
Self insured plan	Employer sponsor
Multiple Employer Welfare Arrangement (MEWA)	Each individual participating employer
Multiemployer plan (union plan)	Board of trustees, association, or committee

The filing requirement applies to employers of all sizes who offer minimum essential coverage. If an employer does not offer a health plan there is NO filing required under Section 6055

Which Forms are Required?

Section 6055 reporting	IRS Forms
Individual Statement-filed with the IRS with a copy to the covered individual	Form 1095-B
Transmittal-filed with the IRS	Form 1094-B

Form **1095-B**Department of the Treasury
Internal Revenue Service**Health Coverage**☐ VOID

OMB No. 1545-2252

☐ CORRECTED**2015**► Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b.**Part I Responsible Individual**

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): ► <input type="checkbox"/>		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 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"/>

Form 1095-B

Form 1095-B Department of the Treasury Internal Revenue Service		Health Coverage ► Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b .		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED	560115 OMB No. 1545-2252 2015
Part I Responsible Individual					
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): ► <input type="checkbox"/>		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)	

Part I

- Lines 1-6: Responsible Individual (primary insured individual) including SSN
- Line 8: Origin of the Policy- enter applicable code from the instructions e.g.
B=employer sponsored plan, C=government sponsored plan

Part II

- Employer information

Form 1095-B

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 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"/>
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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** (2015)


Part III

- Information about the Issuer or Coverage Provider

Part IV

- Covered individuals – name, SSN and number of months covered

Form 1094-B

Form 1094-B Department of the Treasury Internal Revenue Service		Transmittal of Health Coverage Information Returns ► Information about Form 1094-B and its separate instructions is at www.irs.gov/form1094b .		1115 OMB No. 1545-2252 2015	
1 Filer's name		2 Employer identification number (EIN)		For Official Use Only 	
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 ►					
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 (2015)	

Attach all 1095-B filings to this transmittal form

- Line 1 – filers name and information (insurance carrier or plan sponsor)
- Line 9 – total number of forms 1095-B submitted with the transmittal

Summary of 6055 Filings

**Forms 1094-B &
1095-B**

**Purpose of filing is to
enforce compliance
with the Individual
Mandate**

**Entity responsible for
filing depends on the
type of plan offered
by the employer**

**Information need for
Forms 1094-B and
1095-B is not that
difficult to assemble**

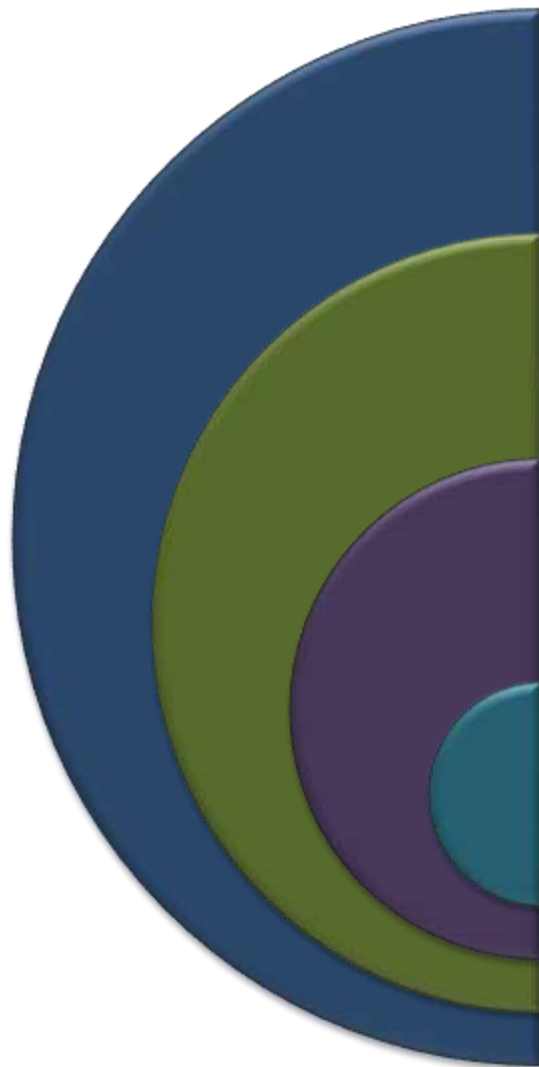
Employer Mandate – “Pay-or-Play”

- The requirement that employers offer health coverage or be subject to a penalty under Section 4980H
- Mandate applies to “Applicable Large Employers” (ALE)
- Failure to do so will require the payment of a penalty called the “Shared Responsibility Payment”
- Coverage offered to employees must meet two requirements
 1. Must provide minimum value
 2. Must be affordable

Employer Mandate

- “Applicable Large Employer” – more than 50 full-time employees, based on calendar year (determination based on preceding calendar), required to consider both:
 - Actual full-time employees
 - Full-time equivalent employees
- Effective date of the Employer Mandate was originally 2014, but the effective date has been delayed a number of times

Employer Mandate – Effective Date



The original 2014 effective date was pushed back to 2015, and in some cases to 2016

For mid-size employers, with between 50-99 full-time employees and equivalents, the effective date is delayed until 2016

For employers with 100 or more full-time employees and equivalents, the effective date remains 2015

Note: Section 6056 reporting for employers with 50-99 employees has not been delayed and still applies for 2015

Questions

For 2015 and future years, how does the government know which ALE offer coverage? And if coverage is offered, how does the government know if it's Minimum Essential Coverage, if the coverage provides minimum value, and if it is affordable to the employee?



Answers

Code Section 6056 requires that, for 2015, new Forms 1095-C and 1094-C are to be annually filed with the IRS, with a copy to the covered individual. The information reported on these forms will allow the government to enforce the requirements of the Employer Mandate.

Section 6056 - Who is responsible for reporting?

Plan type	Section 6056 Reporting
Fully insured plan	Employer
Self insured plan	Employer
Multiple Employer Welfare Arrangement (MEWA)	Employer
Multiemployer plan (union plan)	Multiemployer plan administrator reports on behalf of contributing employers

Reporting is required by all ALE, whether or not a health plan is offered. Smaller employers that are not ALE are exempt from the 6056 reporting requirements

Which forms are required?

Section 6056 reporting	IRS Forms
Employee Statement - filed only for FULL-TIME EMPLOYEES: <ul style="list-style-type: none">• File one copy with the IRS• With a copy to the covered individual	Form 1095-C
Transmittal-filed with the IRS	Form 1094-C

Form **1095-C**Department of the Treasury
Internal Revenue Service**Employer-Provided Health Insurance Offer and Coverage**► Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c☐ VOID☐ CORRECTED

OMB No. 1545-2251

2015**Part I Employee**

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**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)													

Part III Covered IndividualsIf 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"/>	
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"/>	
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"/>	
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"/>	
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"/>	
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"/>	

Form 1095-C

Form 1095-C Department of the Treasury Internal Revenue Service		Employer-Provided Health Insurance Offer and Coverage ► Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		600116 OMB No. 1545-2251 2015	
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 I – Information about both the employee and Applicable Large Employer

- Lines 1-6: Employee information including SSN
- Lines 7-13: Employer information
- Line 10 – Contact telephone number who the recipient may call about the information reported on the form

Form 1095-C

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)													

Part II

- Line 14 – Offer of Coverage, for each month enter a “Series 1” code from the instructions
- Line 15 – Report the amount of the employee’s share of the lowest cost monthly premium for self-only coverage for each month
- Line 16 – Safe Harbor Codes, for each month enter a “Series 2” code from the instructions

Offer of Coverage Codes - Line 14

- 1A: MEC self only coverage equal to or less than 9.5% of federal poverty level income (i.e. \$93.18/mo)
- 1B: MEC providing MV offered to employee only
- 1C: MEC providing MV offered to employee and at least MEC offered to dependents but not spouse
- 1E: MEC providing MV offered to employee and at least MEC offered to dependents and spouse
- IH: No offer of coverage made to employee

Affordability Safe Harbor Codes - Line 16

- 2A: Employee not employed on any day during the month
- 2B: Employee not a FT employee for the month and did not enroll in MEC
- 2C: Employee enrolled in MEC offered
- 2D: Employee in a limited non-assessment period
- 2F: Form W-2 affordability SH used for employee
- 2G: FPL affordability SH used for employee
- 2H: Rate of pay affordability SH used for employee

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** (2015)

Part III

- This section is completed only by Self-insured plans

Example - Sam Gets a New Job

- Sam, age 26, graduated from college in May 2014. While looking for a job in 2014, he enrolled in a plan from the Federal Exchange.
- On February 15, 2015, Sam starts employment with Widget Co. earning \$15 per hour and working 32 hrs. per week
- Widget Co. is an ALE with 130 employees

Example - Sam Gets a New Job

- Widget Co. offers two medical plans, a PPO and HMO to its employees and dependents but not spouses. The monthly premium for self-only coverage is:
 - Self insured PPO : \$224
 - HMO: \$150
- There is a 30-day waiting period; coverage is effective the first of month following 30 days of employment
- Because Sam has already met his maximum out-of-pocket he decides to stay in the Exchange for 2015
- Widget Co. uses the Rate of Pay safe harbor to determine if coverage is affordable

Form **1095-C**Department of the Treasury
Internal Revenue Service**Employer-Provided Health Insurance Offer and Coverage**► Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c☐ VOID☐ CORRECTED

600116

OMB No. 1545-2251

2015**Part I Employee**

1 Name of employee Sam Smith			2 Social security number (SSN) 111-22-3333			7 Name of employer Widget Co.			8 Employer identification number (EIN) 00-1111111				
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

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	1H	1C	1C	1C	1C	1C	1C	1C	1C	1C
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2D	2D	2H	2H	2H	2H	2H	2H	2H	2H	2H

Part III Covered IndividualsIf 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"/>

Example - Sam Gets a New Job

- Assume same facts except that:
 - Sam notifies the Exchange that he is eligible for coverage through his employer, Widget Co.
 - Sam decides to enroll in the self-insured PPO since he can keep the same doctor he had in the Exchange plan

Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c

☐ VOID

☐ CORRECTED

600116
OMB No. 1545-2251

2015

Part I Employee

1 Name of employee Sam Smith			2 Social security number (SSN) 111-22-3333			7 Name of employer Widget Co.			8 Employer identification number (EIN) 00-1111111		
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	

Applicable Large Employer Member (Employer)

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	1H	1C	1C	1C	1C	1C	1C	1C	1C	1C
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 0.00	\$ 0.00	\$ 0.00	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2D	2D	2C	2C	2C	2C	2C	2C	2C	2C	2C

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 Sam Smith	111-22-3333		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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"/>

Transmittal Form 1094-C

Two components to this form:

1. Transmittal for 1095-C's
2. More detailed information about
 - The ALE
 - “ALE Member Information”
 - “Certifications of Eligibility”
 - Monthly information about the ALE plan and employee counts

Form 1094-C

Form **1094-C**

Department of the Treasury
Internal Revenue Service

Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

► Information about Form 1094-C and its separate instructions is at www.irs.gov/form1094c

☐ CORRECTED

120116
OMB No. 1545-2251

2015

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



Attach all 1095-C filings to this transmittal form Part I

- Applicable Large Employer information
- Line 7 – Contact information - name and phone number of individual responsible for addressing questions about the form

Form 1094-C

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

Part II

- Line 18 - total number of Forms 1095-C submitted with the transmittal
- Lines 19 "Is this the authoritative transmittal for the ALE Member?"
- Line 21 – Member of an "aggregated ALE group"
- Line 22 "Certifications of Eligibility"

Authoritative Transmittal – Defined

- An ALE may file Forms 1095-C for different groups of employees within the organization, each submitted with its own single 1094-C transmittal
- If multiple 1094-C transmittals are filed for an ALE, one of the transmittals must be designated as the “authoritative transmittal”



Example – XYZ Company

- XYZ Co. is a single employer with two locations. The corporate offices are located in downtown Cleveland and the operations are located in the suburbs. XYZ Co. wants to file each location separately; they can:
 1. File one set of 1095-C's with a 1094-C transmittal for the corporate offices
 2. File a second set of 1095-C's with a 1094-C transmittal for operations
 3. One of the two transmittals must be designated as the Authoritative Transmittal which reports the aggregate totals for the entire group

Line 22-Certifications of Eligibility

- General Reporting Method-default method for all filers
- Four “Simplifying” Reporting Methods-can be used instead of the General Method
 1. Qualifying Offer Method
 2. Qualifying Offer Method Transition Relief
 3. Section 4980H Transition Relief
 4. 98% Offer Method
- Purpose of these other methods is reduce some of the information reported

Optional Reporting Methods

- Qualifying Offer Method
 - ALE certifies that for all 12 months it made a Qualifying Offer of coverage to the employee
 - Qualifying Offer: means an offer of coverage to the FT employee that is MEC at a cost for self-only coverage that does not exceed 9.5% of the Federal Poverty Line level income and includes an offer of MEC to the employee's dependents and spouse
 - 2015 FPL Individual ($\$11,770 \times 9.5\%$)/12 = \$93.18 monthly
- Simplifies reporting on 1095-C
 - Use Qualifying Offer code 1A on Line 14
 - No need to enter dollar amount on Line 15

Optional Reporting Methods

- Qualifying Offer Method Transition Relief
 - Available only for the 2015 year
 - ALE certifies it made a Qualifying Offer to a FT employee, for less than 12 months for 2015, to at least 95% of its full-time employees
 - Qualifying Offer: means an offer of self only coverage to an employee that does not exceed 9.5% of the Federal Poverty Line and includes an offer of MEC to the employee's dependents and spouse
- Simplifies reporting on 1095-C
 - Use Qualifying Offer code 1A or 1L
 - No need to enter dollar amount on Line 15

Optional Reporting Methods

- Section 4980H Transition Relief
 - Applies to ALE with 50-99 FT employees and equivalents
 - Eligible ALE will not be subject to Employer Mandate penalties until first day of 2016
 - To be eligible
 - ALE must have between 50-99 FT employees and equivalents during 2014
 - Maintain size of workforce & aggregate hours
 - Maintain previously offered health coverage

Optional Reporting Methods

- 98% Offer Method
 - ALE certifies it offered for all 12 months affordable minimum value coverage to at least 98% of the FT employees and dependents
 - Affordability can be determined based on any of the safe harbors.
 - All FT employees must be included in the reporting
- Simplifies reporting on 1095-C
 - Not required to identify which employees are FT
 - Not required to provide total number of FT employees

Form 1094-C

120216

Page 2

Form 1094-C (2015)

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"/>	

Part III

- Column (a) – disclose whether or not Minimum Essential Coverage is offered
- Column (b) – report the number of full-time employees for each month
- Column (c) – report the number of total employees for each month
- Column (d) – check box if part of an aggregated group
- Column (e) – transition relief indicator

Form 1094-C

120315

Page 3

Form 1094-C (2015)

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	

Part IV

- List each ALE Member and EIN

Example – Alpha Co.

- Single employer with 200 employees
- Most employees are FT with a few PT
- Fully insured health plan providing MV
- Eligibility is first of month following 60 days
- Coverage - employee, spouse and children
- Rate of Pay Safe Harbor
- Employee cost for self-only coverage is \$105/month

*From Thomson Reuters EBIA Form 1094/1095 Workbook for Employers and Advisors

Form **1094-C**Department of the Treasury
Internal Revenue Service**Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns**► Information about Form 1094-C and its separate instructions is at www.irs.gov/foim1094c☐ CORRECTED120116
OMB No. 1545-0047**2015****Part I** Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer) ALPHA CORPORATION		2 Employer identification number (EIN) 91-3456789
3 Street address (including room or suite no.) 123 STREET ROAD		
4 City or town PORTLAND	5 State or province VA	6 Country and ZIP or foreign postal code USA 20000-9999
7 Name of person to contact AMY SMITH		8 Contact telephone number 703-555-0000
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

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17 Reserved ☐18 Total number of Forms 1095-C submitted with this transmittal **198**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 Information20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member **198**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. 99% 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 **VICE PRESIDENT** Date _____

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61571A

Form **1094-C** (2015)

Form 1094-C (2015)

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"/>	190	200	<input type="checkbox"/>	
25	Feb	<input type="checkbox"/>	<input type="checkbox"/>	190	198	<input type="checkbox"/>	
26	Mar	<input type="checkbox"/>	<input type="checkbox"/>	190	195	<input type="checkbox"/>	
27	Apr	<input type="checkbox"/>	<input type="checkbox"/>	191	200	<input type="checkbox"/>	
28	May	<input type="checkbox"/>	<input type="checkbox"/>	190	198	<input type="checkbox"/>	
29	June	<input type="checkbox"/>	<input type="checkbox"/>	189	196	<input type="checkbox"/>	
30	July	<input type="checkbox"/>	<input type="checkbox"/>	189	198	<input type="checkbox"/>	
31	Aug	<input type="checkbox"/>	<input type="checkbox"/>	189	195	<input type="checkbox"/>	
32	Sept	<input type="checkbox"/>	<input type="checkbox"/>	190	194	<input type="checkbox"/>	
33	Oct	<input type="checkbox"/>	<input type="checkbox"/>	191	193	<input type="checkbox"/>	
34	Nov	<input type="checkbox"/>	<input type="checkbox"/>	190	198	<input type="checkbox"/>	
35	Dec	<input type="checkbox"/>	<input type="checkbox"/>	190	197	<input type="checkbox"/>	

Amy Smith (Full-Time Employee; Enrolls in Health Plan)

Amy was hired in 2007 and has worked full-time for Alpha every month since her hire date. She enrolls herself, her spouse, and their two children in the plan. Her monthly cost for family coverage is \$275.

Form 1095-C Department of the Treasury Internal Revenue Service		Employer-Provided Health Insurance Offer and Coverage ► Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		L00116 OMB No. 1545-2251 2015									
Part I Employee				Applicable Large Employer Member (Employer)											
1 Name of employee AMY SMITH		2 Social security number (SSN) 200-99-1111		7 Name of employer ALPHA CORPORATION		8 Employer identification number (EIN) 91-3456789									
3 Street address (including apartment no.) 123 ELM PLACE				9 Street address (including room or suite no.) 123 STREET ROAD		10 Contact telephone number 703-555-0000									
4 City or town PORTLAND		5 State or province VA	6 Country and ZIP or foreign postal code 20000		11 City or town PORTLAND	12 State or province VA									
				13 Country and ZIP or foreign postal code USA 20000-9999											
Part II Employee Offer and Coverage				Plan Start Month (Enter 2-digit number): 01											
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
	1E														
	15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ 105.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
	16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C													
Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input type="checkbox"/>															
(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"/>

Brenda Jones (New Full-Time Hire; Enrolls in Health Plan)

Brenda was hired on April 20, 2015 into a position scheduled for 170 hours per month, so she is eligible for Alpha's health plan beginning July 1, 2015. Brenda is unmarried and does not have children. She enrolls herself in Alpha's plan when she is first eligible.

[illegible]

Part-Time Employee

Carl Johnson (Part-Time Employee)

Carl is hired on June 1, 2015 for a part-time position. He's scheduled to work 75 hours per month, so he's not eligible for Alpha's health plan. Carl terminates on September 15 to take a full-time job at a different employer.

Because Carl was not a full-time employee for any month in 2015, Alpha does not have to file a Form 1095-C for Carl. Form 1095-C is filed only for employees who, for at least one month in the calendar year, were full-time employees.

Dennis Williams (Full-Time Employee; Declines Coverage)

Dennis was hired in 2000 and has worked full-time since his hire date. Dennis got married in 2014 and declined enrollment under Alpha's plan for 2015 because his spouse's plan has better coverage.

[illegible]

Example – Delta Corp.

- Delta Corp. is a Holding Company with two wholly owned subsidiaries
- Delta One (35 FT) and Delta Two (1,300 FT)
- Delta Corp. sponsors a self-insured health plan providing MV
- Plan year runs from 7/1 to 6/30
- Eligibility is the first day of the month following 30 days
- Delta One – SH is W-2 Affordability SH (single \$150/mo)
- Delta Two – SH is Rate of Pay SH (single \$120/mo)

*From Thomson Reuters EBIA Form 1094/1095 Workbook for Employers and Advisors

Form **1094-C**Department of the Treasury
Internal Revenue Service**Transmittal of Employer-Provided Health Insurance Offer and
Coverage Information Returns**► Information about Form 1094-C and its separate instructions is at www.irs.gov/form1094c☐ CORRECTED

OMB No. 1545-2251

2015**Part I Applicable Large Employer Member (ALE Member)**

1 Name of ALE Member (Employer) DELTA ONE CORP		2 Employer identification number (EIN) 91-000078
3 Street address (including room or suite no.) ONE EAGLE PARKWAY		
4 City or town ATLANTA	5 State or province GA	6 Country and ZIP or foreign postal code USA 50204-9999
7 Name of person to contact JANE DOE		8 Contact telephone number 641-555-0000
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		

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18 Total number of Forms 1095-C submitted with this transmittal	37
19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions	<input checked="" type="checkbox"/>

Part II ALE Member Information

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member	37
21 Is ALE Member a member of an Aggregated ALE Group?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If "No," do not complete Part IV.	
22 Certifications of Eligibility (select all that apply):	
<input type="checkbox"/> A. Qualifying Offer Method <input type="checkbox"/> B. Qualifying Offer Method Transition Relief <input checked="" type="checkbox"/> C. Section 4980H Transition Relief <input type="checkbox"/> 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	CHIEF ACCOUNTING OFFICER	Date
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For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61571A

Form **1094-C** (2015)

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

Form 1094-C (2015)

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 DELTA TWO CORP	91-1111000	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**Department of the Treasury
Internal Revenue Service**Transmittal of Employer-Provided Health Insurance Offer and
Coverage Information Returns**► Information about Form 1094-C and its separate instructions is at www.irs.gov/form1094c☐ CORRECTED120116
OMB No. 1545-0047**2015****Part I Applicable Large Employer Member (ALE Member)**

1 Name of ALE Member (Employer) DELTA TWO CORP		2 Employer identification number (EIN) 91-1111000
3 Street address (including room or suite no.) TWO EAGLE PARKWAY		
4 City or town ATLANTA	5 State or province GA	6 Country and ZIP or foreign postal code USA 50204-9999
7 Name of person to contact JANE DOE		8 Contact telephone number 641-555-0000
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

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18 Total number of Forms 1095-C submitted with this transmittal 1380

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 1380

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 4960H Transition Relief
 ☐ D. 96% 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 _____	CHIEF ACCOUNTING OFFICER Title _____	Date _____
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For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61071A

Form **1094-C** (2015)

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 4080H Transition Relief Indicator
		Yes	No				
23	All 12 Months	<input checked="" type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	B
24	Jan	<input type="checkbox"/>	<input type="checkbox"/>	1290	1300	<input type="checkbox"/>	
25	Feb	<input type="checkbox"/>	<input type="checkbox"/>	1295	1300	<input type="checkbox"/>	
26	Mar	<input type="checkbox"/>	<input type="checkbox"/>	1290	1299	<input type="checkbox"/>	
27	Apr	<input type="checkbox"/>	<input type="checkbox"/>	1289	1299	<input type="checkbox"/>	
28	May	<input type="checkbox"/>	<input type="checkbox"/>	1290	1300	<input type="checkbox"/>	
29	June	<input type="checkbox"/>	<input type="checkbox"/>	1291	1300	<input type="checkbox"/>	
30	July	<input type="checkbox"/>	<input type="checkbox"/>	1290	1298	<input type="checkbox"/>	
31	Aug	<input type="checkbox"/>	<input type="checkbox"/>	1292	1299	<input type="checkbox"/>	
32	Sept	<input type="checkbox"/>	<input type="checkbox"/>	1292	1298	<input type="checkbox"/>	
33	Oct	<input type="checkbox"/>	<input type="checkbox"/>	1292	1298	<input type="checkbox"/>	
34	Nov	<input type="checkbox"/>	<input type="checkbox"/>	1293	1299	<input type="checkbox"/>	
35	Dec	<input type="checkbox"/>	<input type="checkbox"/>	1293	1299	<input type="checkbox"/>	

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 DELTA ONE CORP	91-000078	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	

Penelope Lee (Continuing Full-Time Employee)

Penelope was hired by Delta One in 2010. She works 32 hours per week. Because she works less than 35 hours per week, she was not eligible for coverage through Delta One until July 1, 2015, when the eligibility threshold was reduced to 30 hours per week (or 130 hours per month). The coverage offered to Penelope is affordable and provides MV. Once she becomes eligible for coverage as of July 1, 2015, she enrolls herself in Delta One's plan. She does not have a spouse or children.

[illegible]

Summary of 6056 filings

- Forms 1094-C & 1095-C
- Purpose of filing is to enforce compliance with the Employer Mandate
- Must file annually if an ALE, whether or not you sponsor a health plan
- Information needed to report is SIGNIFICANT; data that employers have NEVER had to organize and gather; and then REPORT it to the government on new tax forms

Filing deadlines



Filing period is always based on the calendar year

Deadline to the individual is January 31 of year following the reporting year

Deadline to the IRS is February 28 of the year following the reporting year

Initial year 2015 calendar year filings due January 31, 2016 to the covered individual, and February 29, 2016 to the IRS

Certain filing entities are required to file electronically. Electronic filers have until March 31 to file with IRS

Electronic filing is required if filing 250 or more forms 1095

Filing Penalties

- Penalties can be assessed for the following:
 - Failure to timely file
 - Failure to furnish a statement to an employee
 - Failure to include all required information
- IRS is serious about these new requirements, penalties were increased before they went into effect
- Original penalty amounts were significantly increased under the Trade Preferences Extension Act of 2015

Filing Penalties

Failure	Previous Penalty	Increased Penalty
Failure to file or furnish a statement to an individual in a timely manner	\$100/return	\$250/return
Annual maximum penalty	\$1,500,000	\$3,000,000
Annual maximum penalty for entity with less than \$5.0 million in gross receipts	\$500,000	\$1,000,000

- Rules require a filing with both the IRS and a filing with the individual, separate penalty applies to each
- Note-the IRS will not penalize for returns filed in 2016 for calendar 2015 coverage if the employer can show they made a good faith effort to comply
- Therefore document your efforts!

Thank you!
Any Questions?

FISHER & PHILLIPS LLP
ATTORNEYS AT LAW

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Jeff Smith
Partner

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December 1, 2015

Disclaimer

The information above is for general guidance only. This does not constitute the provision of legal advice, tax advice, accounting services, investment advice, or professional consulting of any kind. The information provided herein should not be used as a substitute for consultation with professional tax, accounting, legal, or other competent advisers.