



# A Deep Dive Into PPACA's Employer Reporting Requirements

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NAHU Compliance Corner Webinar Series

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# About Your Presenter: Trey Tompkins

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  - Specializing in FSA, HRA, HSA and COBRA Administration
  - Also consults on PPACA, ERISA and HIPAA compliance
- 19 Years Employee Benefits Consulting Experience
- NAHU Region V Chapter Leadership & Development Rep.
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# A Deep Dive Into PPACA's Employer Reporting Requirements

## Today's Webcast Will Cover:

- Recently Increased Non-Compliance Penalties
- What's New In The Recently Released 2015 Draft 1095-C Forms
- Review of the Form 1094-C, Line 22 Certifications of Eligibility
- Review of the Form 1094-C, Part III Entries
- Review of the Form 1095-C, Lines 14 and 16 Codes
- Update on Process for Transmitting Forms to IRS
- Recommendations for Evaluating Service Providers



# A Deep Dive Into PPACA's Employer Reporting Requirements

## Do You Need Basic Information About The Employer Reporting Requirements?

To access a recording of NAHU Compliance Corner's January 2015 webcast covering the basics of the Employer Reporting Requirements click [here](#).

Note: This and all other Compliance Corner webcast recordings are exclusively accessible to NAHU Members by logging into NAHU.com's secure member portal.



# Non-Compliance Penalties<sup>1</sup>

Type of Failure	Per Form Penalty	Annual Maximums Large Business / Small Business <sup>2</sup>
Filed less than 30 days late	\$50	\$500,000 / \$175,000
Filed before August 1	\$100	\$1,500,000 / \$500,000
Filed August 1 or later	\$250	\$3,000,000 / \$1,000,000
Intentional Disregard	\$500	No Cap

<sup>1</sup>As modified by the Trade Preferences Extension Act of 2015 (June 2015)

<sup>2</sup>Small Businesses are those with less than \$5 Million in gross receipts during each of the previous three years

# What's New In The Draft 1095-C Forms

## 4 Changes Announced June 16, 2015:

1. Addition of “Plan Start Month” field
  - Two digit code corresponding to 1<sup>st</sup> month of Plan Year
  - Optional for 2015
2. Addition of “Continuation Sheet” for reporting coverage information for more than six individuals
  - Also added to draft of the 2015 Form 1095-B
3. Removed the “Instructions For Recipient” Page
4. Announced 2 Additional Offer of Coverage Codes for 2016
  - Deal with Conditional Offers of Coverage to Spouses
  - Not for use in 2015

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/1095c](http://www.irs.gov/1095c).☐ VOID☐ CORRECTED

600116

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 4080H Safe Harbor (enter code, if applicable)													

**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"/>

**Optional for  
2015 Draft**



**Part III Covered Individuals – Continuation Sheet**

(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	Sept	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"/>
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"/>
31			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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 1095-B and 1095-C Forms**

## Instructions for Recipient

You are receiving this Form 1095-C because your employer is an Applicable Large Employer subject to the employer shared responsibility provision in the Affordable Care Act. This Form 1095-C includes information about the health insurance coverage offered to you by your employer. Form 1095-C, Part II, includes information about the coverage, if any, your employer offered to you and your spouse and dependent(s). If you purchased health insurance coverage through the Health Insurance Marketplace and wish to claim the premium tax credit, this information will assist you in determining whether you are eligible. For more information about the premium tax credit, see Pub. 974, Premium Tax Credit (PTC). You may receive multiple Forms 1095-C if you had multiple employers during the year that were Applicable Large Employers (for example, you left employment with one Applicable Large Employer and began a new position of employment with another Applicable Large Employer). In that situation, each Form 1095-C would have information only about the health insurance coverage offered to you by the employer identified on the form. If your employer is not an Applicable Large Employer it is not required to furnish you a Form 1095-C providing information about the health coverage it offered.

In addition, if you, or any other individual who is offered health coverage because of their relationship to you (referred to here as family members), enrolled in your employer's health plan and that plan is a type of plan referred to as a "self-insured" plan, Form 1095-C, Part III provides information to assist you in completing your income tax return by showing you or those family members had qualifying health coverage (referred to as "minimum essential coverage") for some or all months during the year.

If your employer provided you or a family member health coverage through an insured health plan or in another manner, the issuer of the insurance or the sponsor of the plan providing the coverage will furnish you information about that coverage on Form 1095-B, Insurance Coverage. Similarly, if you or a family member had health coverage from another source, such as a government-sponsored program, a church, or a miscellaneous coverage designated by the Department of Health and Human Services, the provider of that coverage will furnish you information about that coverage on Form 1095-B. If you or a family member enrolled in a qualified health plan through a Health Insurance Marketplace, the Health Insurance Marketplace will report information about that coverage on Form 1095-A, Health Insurance Marketplace Statement.



Employers are required to furnish Form 1095-C to you, the employee, and to each family member of the recipient of this Form 1095-C. If you are the recipient of this Form 1095-C, you should provide a copy to each family member covered under a self-insured employer-sponsored health plan. If you are not the recipient of this Form 1095-C, you should request it for their records.

### Part I. Employee

Lines 1–8. Part I, lines 1–8, reports information about you, the employee.

Line 2. This is your social security number (SSN). For your protection, this form may show only the last four digits of your SSN. However, the issuer is required to report your complete SSN to the IRS.



If you do not provide your SSN and the SSNs of all covered individuals to the plan administrator, the IRS may not be able to match the Form 1095-C to determine that you and the other covered individuals have complied with the individual shared responsibility provision. For covered individuals other than the employee listed in Part I, a Taxpayer Identification Number (TIN) may be provided instead of an SSN.

### Part I. Applicable Large Employer Member (Employer)

Lines 7–13. Part I, lines 7–13, reports information about your employer.

Line 10. This line includes a telephone number for the person whom you may call if you have questions about the information reported on the form.

### Part II. Employer Offer and Coverage, Lines 14–16

Line 14. The codes listed below for line 14 describe the coverage that your employer offered to you and your spouse and dependent(s), if any. This information relates to eligibility for coverage subsidized by the premium tax credit for you, your spouse, and dependent(s). For more information about the premium tax credit, see Pub. 974.

1A. Minimum essential coverage providing minimum value offered to you with an employee contribution for self-only coverage equal to or less than \$1,108.65 (9.5% of the 48 contiguous states single federal poverty line) and minimum essential coverage offered to your spouse and dependent(s) (referred to here as a Qualifying Offer). This code may be used to report for specific months for which a Qualifying Offer was made, even if you did not receive a Qualifying Offer for all 12 months of the calendar year.

1B. Minimum essential coverage providing minimum value offered to you and minimum essential coverage NOT offered to your spouse or dependent(s).

1C. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) but NOT your spouse.

1D. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your spouse but NOT your dependent(s).

1E. Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.

1F. Minimum essential coverage NOT providing minimum value offered to you, or you and your spouse or dependent(s), or you, your spouse, and dependent(s).

1G. You were NOT a full-time employee for any month of the calendar year but were enrolled in self-insured employer-sponsored coverage for one or more months of the calendar year. This code can be entered in line 14 only if you were not offered health coverage.

1H. Minimum essential coverage (you or your spouse or dependent(s) did not receive a Qualifying Offer) that is NOT minimum value coverage.

1I. You or your spouse or dependent(s) did not receive a "Qualifying Offer" for 2015 and for at least one month of the year you (and your spouse or dependent(s)) did not receive a Qualifying Offer. Note that your employer has also provided a contact number at which you may request further information about the health coverage, if any, you were offered (see line 10).

Line 15. This line reports the employee share of the lowest-cost monthly premium for self-only minimum essential coverage providing minimum value that your employer offered you. The amount you paid for coverage if, for example, you were offered self-only coverage but you elected to enroll in other coverage such as family coverage. Line 15 will show an amount of \$0.00 if you were not offered coverage or if you were offered coverage but not required to contribute any amount towards the premium, this line will report a "0.00" for the amount.

Line 16. This line provides the IRS information to administer the employer shared responsibility provisions. None of this information affects your eligibility for the premium tax credit. For more information about the employer shared responsibility provisions, see IRS.gov.

### Part III. Covered Individuals, Lines 17–22

Part III reports the name, SSN (or TIN for covered individuals other than the employee listed in Part I), and coverage information about each individual (including any full-time employee and non-full-time employee, and any employee's family members) covered under the employer's health plan, if the plan is "self-insured." A date of birth will be entered in column (c) only if an SSN (or TIN for covered individuals other than the employee listed in Part I) is not entered in column (b). Column (c) will be checked if the individual was covered for at least one day in every month of the year. For individuals who were covered for some but not all months, information will be entered in column (c) indicating the months for which these individuals were covered. If there are more than 8 covered individuals, you will receive one or more additional Forms 1095-C that continue Part III.

Removed in 2015  
Draft Version

# Review of Form 1094-C, Line 22

## **Certifications of Eligibility** **(Select All That Apply – maybe)**

- A. Qualifying Offer Method
- B. Qualifying Offer Method Transition Relief
- C. Section 4980H Transition Relief
- D. 98% Offer Method

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/f1094c](http://www.irs.gov/f1094c).☐ CORRECTED

120115

OMB No. 1545-2251

**2014****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	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	►

**Part II ALE Member Information**19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the ☐ continue. If "No," see instructions

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member

21 Is ALE Member a member of an Aggregated ALE Group? ☐ Yes ☐ No

If "No," do not complete Part IV.

**22 Certifications of Eligibility (select all that apply):**☐ A. Qualifying Offer Method ☐ B. Qualifying Offer Method Transition Relief ☐ C. Section 4980H Transition Relief ☐ D. 98% Offer Method

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

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

Cat. No. 61571A

Form **1094-C** (2014)

# Certifications of Eligibility

**For Official Use Only**

# Certifications of Eligibility

## What is a “Qualifying Offer”?

1. An offer of Minimum Essential Coverage (MEC)
2. Providing Minimum Value (MV)
3. To one or more full-time employees
4. For all calendar months during the year for which the Employee was a full-time employee for whom the Employer Mandate penalty could apply
5. At an employee cost of less than 9.5% of the Single Federal Poverty Line
6. Also offering MEC to spouses and dependents

# Certifications of Eligibility

## A. Qualifying Offer Method

### Criteria

1. The Employer made a Qualifying Offer;
2. To one or more full-time employees;
3. For all months during the year to which the Employer Mandate applied
4. Not mandatory to use if applicable

### Benefit(s)

1. Allows fully-insured employers to issue a generic form to Full-Time Employees who received a Qualifying Offer for 12 months
2. Still must submit Form 1095-C to the IRS by March 31
3. Do not complete Form 1095-C, Line 15 for any month that a Qualifying Offer was made

# Certifications of Eligibility

## B. Qualifying Offer Method Transition Relief

### Criteria

1. The Employer made a Qualifying Offer;
2. To 95% of its Full-Time Employees (not counting Employees in a Limited Non-Assessment Period);
3. For one or more months during 2015
4. Not mandatory to use if applicable

### Benefit(s)

1. Allowed to issue a generic form to Full-Time Employees who received a Qualifying Offer for all 12 months (only if fully-insured) in January
2. Still must submit Form 1095-C to the IRS by March 31
3. Do not complete Form 1095-C, Line 15 for any month that a Qualifying Offer was made

# Certifications of Eligibility

## C. Section 4980H Transition Relief Relief Based On Full-Time Employee Count

### Criteria

1. **50-99 FTEs** during 2014
2. No workforce reductions between 02/09/14 and 12/31/14 to qualify for this relief
3. No material reductions of health coverage between 02/09/14 and last day of 2015 Plan Year

### Benefit(s)

1. No employer mandate penalty during 2015 Plan Year



# Certifications of Eligibility

## C. Section 4980H Transition Relief Relief Based On Full-Time Employee Count

### Criteria

1. **100+ FTEs** during 2014
2. No workforce reductions between 02/09/14 and 12/31/14 to qualify for this relief
3. No material reductions of health coverage between 02/09/14 and last day of 2015 Plan Year

### Benefit(s)

1. No employer mandate penalty during 2015 Plan Year on first 80 full-time employees

# Certifications of Eligibility

## C. Section 4980H Transition Relief Relief Based On Non-Calendar Year Plans

### Criteria

1. Maintained non-calendar year plans dating back to 12/27/2012
2. Coverage is offered beginning on first day of 2015 Plan Year

### Benefit(s)

1. Coverage is deemed to have been offered for months in 2015 prior to beginning of 2015 Plan Year

# Certifications of Eligibility

## D. 98% Offer Method

### Criteria

- The employer offered coverage
- to 98% of employees receiving Form 1095-C
  - which was MV and affordable
  - for each month of the year
  - with MEC to dependents

### Benefit(s)

- The Employer is not required to complete the Full-Time Employee Count in Part III (b)

**Part III ALE Member Information—Monthly**

	(a) Minimum Essential Coverage Offer Indicator		(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
	Yes	No				
23 All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24 Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25 Feb	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
26 Mar	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
27 Apr	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
28 May	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
29 June	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
30 July	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
31 Aug	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
32 Sept	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
33 Oct	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
34 Nov	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
35 Dec	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

Form 1095-C, Part III

# Reviewing Form 1094-C, Part III

## Column (a): Minimum Essential Coverage Offer Indicator

- Generally based on whether MEC coverage was offered to 95% of full-time employees and their dependents
  - Don't count full-time employees in a waiting period for purposes of calculating the percentage
  - For months in a 2015 Plan Year, there is Transition Relief allowing ALEs with a 70% coverage offering can check "Yes" for those months
- If MEC coverage is offered to all but five or less full-time employees, the employer is also deemed to have offered coverage
- ALEs who did not historically offer coverage to dependents can check "Yes" if they continue to offer coverage to their Employees and take steps in 2015 to extend coverage to dependents in 2015
- For non-calendar year plans that did not alter their plan years after 12/27/2012, full-time employees who were not eligible under the Plan's terms until the first day of the Plan Year beginning in 2015 can be treated as having been offered coverage for all of 2015

# Reviewing Form 1094-C, Part III

## **Column (b): Full-Time Employee Count for ALE Member**

- Employees working 130 hours in the month
- Do not count employees in a Limited Non-Assessment Period
- May be skipped if 98% Offer Method was selected

# Reviewing Form 1094-C, Part III

## Column (c): Total Employee Count for ALE Member

- Based on a monthly snapshot
- Employees in a Limited Non-Assessment Period Are Counted for this item
- Measured on the same day of each month (elected by employer)
  - First day
  - Last day
  - First day of first pay period
  - Last day of first pay period

# Reviewing Form 1094-C, Part III

## Column (d): Aggregated Group Indicator

- Employers that check “Yes” on Line 21 must complete column (d) indicated which month(s) or the entire year that the group was part of an Aggregated Group
- These Employers must also complete Part IV (Page 3)



# Reviewing Form 1094-C, Part III

## Column (e): Section 4980H Transition Relief Indicator

- Employers that certify eligibility for “C. Section 4980H Transition Relief” on Line 22 must indicate a code in column (e) for at least one month or the entire year.
- “A” - 50-99 Transition Relief (ALEs with fewer than 100 full-time employees)
- “B” - 100 or more Transition Relief (ALEs with 100 or more full-time employees)

# Review of the Form 1095-C, Line 14 Codes

- 1A – Qualifying Offer – the Holy Grail (see previous slide)
- 1B – MEC, MV, Employee Only
  - Not FPL affordable)
- 1C – MEC, MV, Employee Only but MEC for Dependents
  - Not FPL affordable
- 1D – MEC, MV, Employee Only but MEC for Spouse
  - Not FPL affordable
- 1E – MEC, MV, Employee Only but MEC for Spouse and Dependents
  - Not FPL affordable

# Review of the Form 1095-C, Line 14 Codes

(Continued)

- 1F – MEC, Not MV, offered to any group of family members
- 1G – Offer of coverage to employee who was:
  - not full-time; and
  - enrolled in self-insured coverage
- 1H – No offer of coverage
- 1I – Qualifying Offer Transition Relief 2015
  - No offer of coverage
  - Offer was not a Qualifying Offer
  - Qualifying Offer was for less than 12 months

# Review of the Form 1095-C, Line 16 Codes

- 2A – Employee not employed at all during the month
- 2B – Employee not a full-time employee
  - Do not use if the employee enrolled in MEC
- 2C – Employee enrolled in coverage offered for every day during the month
  - Use this code whenever it applies
- 2D – Limited Non-Assessment Period
  - Also use for Initial Measurement Period
  - Do not use if Code 2E also applies

# Review of the Form 1095-C, Line 14 Codes

(Continued)

- 2E – Multiemployer Limited Relief Rule
  - Employer contributes on employees behalf to a multiemployer plan
  - Multiemployer plan must offer coverage that is MV and affordable to eligible employees
  - Must be pursuant to a collective bargaining agreement
- 2F – W2 Safe Harbor Affordability
- 2G – FPL Safe Harbor Affordability
- 2H – Rate of Pay Safe Harbor Affordability
- 2I – Non-Calendar Year Transition Relief Applies



# Electronically Transmitting Forms To IRS

(Instructions Updated June 2015)

## Steps Required To Utilize the ACA Information Return (AIR) System

1. Register with the IRS's e-services website including submission of personal information about the person registering on behalf of the entity. More info can be accessed online [here](#).
2. Obtain an **AIR Transmitter Control Code (TCC)**, a unique identifier authorizing each Submitting Entity to submit the reporting forms
3. Pass a series of technical/system tests to ensure that Reporting Forms will be properly submitted when due.

The first two steps can be completed now while the third step will be available for completion later in 2015.

# Considerations For Choosing A Reporting Service Vendor

## Considerations about the filer

- Identify the filer's specific reporting requirements
  - Number of 1095-C forms required
  - Variance in coverage offerings among workforce
- Based on those, what data must the filer track?
  - Monthly Full-Time / Part-Time status
  - Coverage Offerings
  - Self-Insured Enrollments
- Where are they currently in their tracking?
- Will they file on paper or electronically?

# Considerations For Choosing A Reporting Service Vendor

## Considerations about the vendor prospect

- Can they efficiently receive data from client's time and attendance tracking system?
- Do they offer a written service guarantee regarding timeliness?
- Do they (or their software vendor) have a system of developing other systems to send electronic files to the federal government?
- Will they file on paper or electronically?
- Did they process any 2014 voluntary filings?



# Questions?

## Today's Topic

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## Other Compliance Questions

NAHU Compliance Corner

Current NAHU Members can submit their benefits compliance questions to NAHU's Legislative Council's team of Compliance Corner experts online [here](#).

