



# NAHU Benefits Update for Q1 2019

January 17, 2019

**PRESENTED BY**

Joshua L. Gertz, J.D.  
Assistant Vice President, Compliance Consultant

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# QUESTIONS?

You may ask your question in the questions box at any time. Any questions that we do not answer during the webinar will be posted on the compliance corner webpage in the coming weeks.



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# TODAY'S PRESENTER

**Joshua L. Gertz, J.D.**

*Assistant Vice President, Compliance Consultant*

Josh is a compliance consultant at Alliant Insurance Services. As an attorney, Josh serves as a dedicated resource exclusively for clients and staff of the Employee Benefits Practice.

Josh researches and writes many of our periodic compliance and topical communications regarding a variety of subjects in employee benefits and tax law. He assists clients in meeting compliance standards on a direct basis by reviewing their current practices and making recommendations. Josh also assists institutional partners in their performance of benefits-related due-diligence for target companies. Internally, Josh leads educational initiatives ensuring staff remain aware of the latest developments in health care reform and its effect upon clientele.

Josh earned a BA in economics and political science from the University of Illinois at Urbana-Champaign. He earned a JD from DePaul University and is a member of the Illinois State Bar. Before joining Alliant, Josh worked with the Illinois Department of Insurance.

# *Texas v. United States*



- Dec. 14, 2018 decision handed down declaring PPACA invalid and unconstitutional
- Grounds for decision revolve around individual mandate penalty (now \$0) no longer effectively a tax
- Without the tax, Congress overstepped its Constitutional authority
  - Individual mandate is essential and inseverable from the ACA
  - Questions surrounding severability



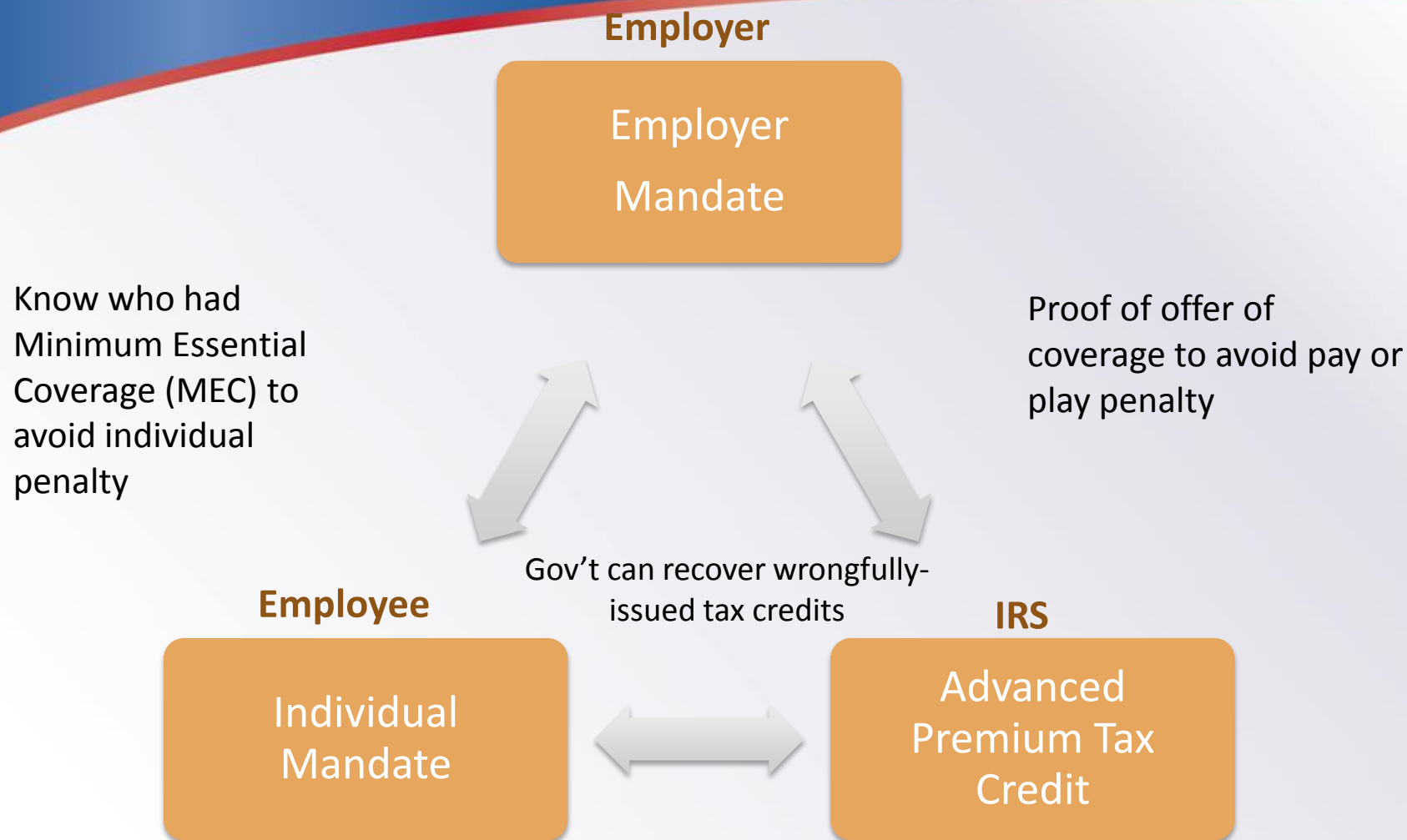
- Legal critique for overly broad and politically charged
- Appealed to 5<sup>th</sup> Circuit largely by Democratic states
- 5<sup>th</sup> Circuit may uphold lower court, may make its way to SCOTUS
- Most importantly – the decision is not final
  - As brokers and agents we must remind clients that the ACA is still in effect and we have to continue to abide by it
  - Still have to complete employer reporting

# The Other Mandate: Employer Shared Responsibility & ACA Reporting

# Employer Reporting – A Primer

- Under the ACA, Applicable Large Employers (ALEs) must offer insurance to their full-time employees or pay a penalty in the form of an excise tax.
- 2 penalties:
- A) Failure to offer Minimum Essential Coverage (MEC) to 95% of full-time employees and their dependents.
  - If 1 full-time employee goes to the individual marketplace and receives a premium tax credit (subsidy) it triggers a penalty
  - $\$2,320 \times (\# \text{ FTs} - 30)$ 
    - Prorated monthly
- B) Failure to offer affordable (self-only), Minimum Value (MV) coverage to all full-time employees
  - \$3,480 per employee that qualifies for tax credit on exchange

# Why Am I Reporting?



# Who Must Report?

- All ALE members must report on anyone who was a full-time employee during the 2018 calendar year
- All issuers of coverage must report on all covered/enrolled members during the 2018 calendar year
- Carrier is the issuer of coverage for fully-insured groups
- Employer is the issuer of coverage for self-funded/level-funded groups

# Who Must Report?

	Large Employer	Small Employer
<b>Fully Insured</b>  (Carriers still report to employees)	1 x 1094-C per ALE member to IRS 1 x 1095-C (Parts I & II) to each FT employee (w/ a copy to IRS)	No reporting required; carriers will issue a Form 1095-B to each covered employee
<b>Self Funded</b>  (Carriers do not report to employees)	1 x 1094-C per ALE member to IRS 1 x 1095-C (Parts I, II & III) to each FT employee (w/ a copy to IRS)	1 x 1094-B to the IRS 1 x 1095-B to each covered employee

# What Happens If I Don't Report?

- Failure to file a tax return
- Depending on how late the form is filed, up to \$270 per return
- Additional \$270 per return for failure to furnish to individuals
- Each penalty maximum varies depending upon business size:
  - Large businesses w/ gross receipts >\$5 million & gov't entities = \$3,275,000 per year
  - Small businesses w/ gross receipts <\$5 million = \$1,091,000 per year



# OK – I'll Report

- Typically, 1095 forms must be distributed to individuals by January 31<sup>st</sup>
  - IRS extension issued in November of 2018
  - 1095-B and 1095-C forms are now due to individuals by March 4<sup>th</sup>, 2019
- 1094/1095 reporting to the IRS has **NOT** changed
  - All 1094 and 1095 forms must be submitted to the IRS by February 28<sup>th</sup>, 2019 if filing by paper or April 1<sup>st</sup> if filing electronically
    - Must file electronically if submitting more than 250 copies of a given form

# Form 1094-C Parts I & II

120118

Form **1094-C**

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

☐ CORRECTED

OMB No. 1545-2251

Department of the Treasury  
Internal Revenue Service

► Go to [www.irs.gov/Form1094C](http://www.irs.gov/Form1094C) for instructions and the latest information.

**2018**

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

1 Name of ALE Member (Employer)		2 Employer identification number (EIN)
3 Street address (including room or suite no.)		
4 City or town	5 State or province	6 Country and ZIP or foreign postal code
7 Name of person to contact		8 Contact telephone number
9 Name of Designated Government Entity (only if applicable)		10 Employer identification number (EIN)
11 Street address (including room or suite no.)		
12 City or town	13 State or province	14 Country and ZIP or foreign postal code
15 Name of person to contact		16 Contact telephone number

**For Official Use Only**



17 Reserved . . . . . ☐

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

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. Reserved ☐ C. Reserved ☐ D. 98% Offer Method

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

► Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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

Cat. No. 61571A

Form **1094-C** (2018)

# Form 1094-C Part III

120218

Form 1094-C (2018)

Page **2**

**Part III ALE Member Information—Monthly**

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

Form **1094-C** (2018)

# Form 1094-C Part IV

120316

Form 1094-C (2018)

Page **3**

## **Part IV Other ALE Members of Aggregated ALE Group**

Enter the names and EINs of Other ALE Members of the Aggregated ALE Group (who were members at any time during the calendar year).

Name	EIN	Name	EIN
36		51	
37		52	
38		53	
39		54	
40		55	
41		56	
42		57	
43		58	
44		59	
45		60	
46		61	
47		62	
48		63	
49		64	
50		65	

Form **1094-C** (2018)

# Aggregated & Controlled Groups

- Different entities with shared ownership will be grouped together and considered a single employer
- Rules are similar to those for shared retirement plans; able to file consolidated tax return
- Considers attribution across immediate family & trust beneficiaries
- Rules vary depending upon corporate structure
  - Parent-subsidary (80% ownership)
  - Brother-sister (80% across 5 or fewer ppl; 50% identical)
  - Combination of the two
- Many carriers require affidavit from insured stating entities are “part of a controlled or affiliated service group” or “are considered a single employer” under 26 U.S.C. § 414 (b),(c), or (m)

# Form 1095-C

**Alliant / Mesrow**  
INSURANCE SERVICES

600118

Form **1095-C**  
Department of the Treasury  
Internal Revenue Service

## Employer-Provided Health Insurance Offer and Coverage

▶ Do not attach to your tax return. Keep for your records.

▶ Go to [www.irs.gov/Form1095C](http://www.irs.gov/Form1095C) for instructions and the latest information.

☐ VOID

☐ CORRECTED

OMB No. 1545-2251

**2018**

### Part I Employee

1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer				8 Employer identification number (EIN)			
3 Street address (including apartment no.)				9 Street address (including room or suite no.)				10 Contact telephone number			
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code	

### Part II Employee Offer of Coverage

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													

### Part III Covered Individuals

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

	(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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** (2018)

- Lines 14-16 describe the employer's offer (if applicable), its cost, and any defenses against potential future penalties
- These 3 lines are where most of the difficulties are generated for reporting systems
- Lines 14 and 16 use alphanumeric code series for given situations
- **Remember**: The “good-faith” reporting exception has been extended
  - Not an excuse to completely ignore reporting or submit incomprehensible information



# Form 1095-C Part II: Line 14

**•1A.** Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with Employee Required Contribution equal to or less than 9.5% (as adjusted) of mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).

This code may be used to report for specific months for which a Qualifying Offer was made, even if the employee did not receive a Qualifying Offer for all 12 months of the calendar year. However, an ALE Member may not use the Alternative Furnishing Method for an employee who did not receive a Qualifying Offer for all 12 calendar months.

**•1B.** Minimum essential coverage providing minimum value offered to employee only.

**•1C.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse).

**•1D.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)). Do not use code 1D if the coverage for the spouse was offered conditionally. Instead, use code 1J.

**•1E.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse. Do not use code 1E if the coverage for the spouse was offered conditionally. Instead, use code 1K.

**•1F.** Minimum essential coverage NOT providing minimum value offered to employee; employee and spouse or dependent(s); or employee, spouse, and dependents.

**•1G.** Offer of coverage for at least one month of the calendar year to an individual who was not an employee for any month of the calendar year or to an employee who was not a full-time employee for any month of the calendar year (which may include one or more months in which the individual was not an employee) and who enrolled in self-insured coverage for one or more months of the calendar year.

## **Note.**

Code 1G applies for the entire year or not at all. Therefore, if code 1G applies, an ALE Member must enter code 1G on line 14 in the "All 12 Months" column or in each separate monthly box (for all 12 months).

**•1H.** No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage, which may include one or more months in which the individual was not an employee).

**•1I.** Reserved.

**•1J.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage conditionally offered to spouse; minimum essential coverage not offered to dependent(s).

**•1K.** Minimum essential coverage providing minimum value offered to employee; at least minimum essential coverage offered to dependents; and at least minimum essential coverage conditionally offered to spouse.

# Form 1095-C Part II: Line 15

- Enter the employee contribution for the lowest-cost, self-only coverage offered to the individual
  - Only enter cost on Line 15 if 1B, 1C, 1D, 1E, 1J, or 1K is on Line 14 for a given month
    - Those are the codes for an MV offer
    - MEC only offers do not need to meet affordability
  - Cost is specific to individual in question
- While MEC must be offered to an employee and his/her dependents, MV coverage only needs to be affordable for the employee-only
  - In certain situations, dollar amount will be the full cost of coverage (COBRA, retiree...etc.)

# Form 1095-C Part II: Line 16

- **2A.** Employee not employed during the month. Enter code 2A if the employee was not employed on any day of the calendar month. Do not use code 2A for a month if the individual was an employee of the ALE Member on any day of the calendar month. Do not use code 2A for the month during which an employee terminates employment with the ALE Member.
- **2B.** Employee not a full-time employee. Enter code 2B if the employee is not a full-time employee for the month and did not enroll in minimum essential coverage, if offered for the month. Enter code 2B also if the employee is a full-time employee for the month and whose offer of coverage (or coverage if the employee was enrolled) ended before the last day of the month solely because the employee terminated employment during the month (so that the offer of coverage or coverage would have continued if the employee had not terminated employment during the month).
- **2C.** Employee enrolled in health coverage offered. Enter code 2C for any month in which the employee enrolled for each day of the month in health coverage offered by the ALE Member, regardless of whether any other code in Code Series 2 might also apply (for example, the code for a section 4980H affordability safe harbor) except as provided below. Do not enter code 2C on line 16 for any month in which the multiemployer interim rule relief applies (enter code 2E). Do not enter code 2C on line 16 if code 1G is entered in line 14. Do not enter code 2C on line 16 for any month in which a terminated employee is enrolled in COBRA continuation coverage or other post-employment coverage (enter code 2A). Do not enter code 2C on line 16 for any month in which the employee enrolled in coverage that was not minimum essential coverage.
- **2D.** Employee in a section 4980H(b) Limited Non-Assessment Period. Enter code 2D for any month during which an employee is in a section 4980H(b) Limited Non-Assessment Period. If an employee is in an initial measurement period, enter code 2D (employee in a section 4980H(b) Limited Non-Assessment Period) for the month, and not code 2B (employee not a full-time employee). For an employee in a section 4980H(b) Limited Non-Assessment Period for whom the ALE Member is also eligible for the multiemployer interim rule relief for the month, enter code 2E (multiemployer interim rule relief) and not code 2D (employee in a section 4980H(b) Limited Non-Assessment Period).
- **2E.** Multiemployer interim rule relief. Enter code 2E for any month for which the multiemployer arrangement interim guidance applies for that employee, regardless of whether any other code in Code Series 2 (including code 2C) might also apply.

**Note.** Although ALE Members may use the section 4980H affordability safe harbors to determine affordability for purposes of the multiemployer arrangement interim guidance, an ALE Member eligible for the relief provided in the multiemployer arrangement interim guidance for a month for an employee should enter code 2E (multiemployer interim rule relief), and not code 2F, 2G, or 2H (codes for section 4980H affordability safe harbors).

- **2F.** Section 4980H affordability Form W-2 safe harbor. Enter code 2F if the ALE Member used the section 4980H Form W-2 safe harbor to determine affordability for purposes of section 4980H(b) for this employee for the year. If an ALE Member uses this safe harbor for an employee, it must be used for all months of the calendar year for which the employee is offered health coverage.
- **2G.** Section 4980H affordability federal poverty line safe harbor. Enter code 2G if the ALE Member used the section 4980H federal poverty line safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).
- **2H.** Section 4980H affordability rate of pay safe harbor. Enter code 2H if the ALE Member used the section 4980H rate of pay safe harbor to determine affordability for purposes of section 4980H(b) for this employee for any month(s).

**Note.** An affordability safe harbor code should not be entered on line 16 for any month that the ALE member did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents (that is, any month for which the ALE member checked the "No" box on Form 1094-C, Part III, column (a)). For more information, see the instructions for Form 1094-C, Part III, column (a).

- **2I.** Reserved.

# Putting it Together

- Full-time employee that worked 12 months
- Covered all 12 months
- Calendar year plan
- Coverage offered was “qualifying offer” since coverage was MV and offered to employee, spouse, and dependents & employee contribution for lowest-cost option was less than 9.56% of 100% of the 2017 Federal Poverty Level for a single individual (\$96.08/month)

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

# Putting it Together (cont'd)

- Full-time employee that worked 12 months
- Covered all 12 months
- Calendar year plan
- Coverage offered was MV and offered to employee, spouse, and dependents, but employee contribution for lowest-cost option was more than 9.56% of the FPL; the employee contribution was \$100/month

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14. Offer of Coverage (enter required code)	1E												
15. Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$100.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16. Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C												



# Putting it Together (cont'd)

- Full-time employee hired mid-year (March 1<sup>st</sup>) and worked throughout the remainder of the year
- Calendar year plan
- Coverage offered 1<sup>st</sup> of the month following 60 day initial waiting-period
- Employee enrolled in coverage offered.
- Coverage offered was MV and offered to employee, spouse, and dependents, but employee contribution for lowest-cost option was more than 9.56% of the FPL; the employee contribution was \$100/month.

<b>Part II Employee Offer and Coverage</b>													
	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	1H	1H	1E	1E	1E	1E	1E	1E	1E
15. Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
16. Applicable Section 4380H Safe Harbor (enter code, if applicable)		2A	2A	2D	2D	2D	2C	2C	2C	2C	2C	2C	2C

# Putting it Together (cont'd)

- Full-time employee hired mid-year (March 1<sup>st</sup>) and worked throughout the remainder of the year
- Non-calendar year plan that renewed July 1st
- Coverage offered 1<sup>st</sup> of the month following 60 day waiting-period & employee enrolled
- Coverage offered to employee, spouse, and dependents, but employee contribution for lowest-cost option was more than 9.56% of the Federal Poverty Level for an individual; the employee contribution was \$100/month, but increased to \$105/month following the July renewal.

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14. Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1E	1E	1E	1E	1E	1E	1E
15. Employee Share of Lowest-Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$ 100.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00
16. Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2A	2D	2D	2D	2C	2C	2C	2C	2C	2C	2C



# Putting it Together (cont'd)

- Full-time, on-going employee that worked 12 months
- Only offered MEC plan
- Enrolled in MEC plan

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

# Putting it Together (cont'd)

- Full-time, on-going employee that worked from January 1<sup>st</sup> to June 15<sup>th</sup>, and then was terminated on June 15<sup>th</sup>
- Employee was enrolled in the coverage offered, which was not a “qualifying offer.” The employee contribution was \$100.00/month for a MV self-only plan
- Employee was offered COBRA and enrolled, but coverage wouldn’t have continued to the end of the month if the employee didn’t enroll in COBRA; coverage ends date of termination

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14. Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H
15. Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$	\$	\$	\$	\$	\$	\$
16. Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2B	2A	2A	2A	2A	2A	2A

# Putting it Together (cont'd)


- Full-time, on-going employee that worked from January 1<sup>st</sup> to June 15<sup>th</sup>, and then was terminated on June 15<sup>th</sup>
- Employee was enrolled in the coverage offered, which was not a “qualifying offer.” The employee contribution was \$100.00/month for a MV self-only plan.
- Employee’s coverage under the group health plan continues to the end of the month in which the employee is terminated.
- Employee was offered coverage for July 1<sup>st</sup> and enrolled in a self-only tier of coverage
- Employee continued paying the COBRA rate for self-only coverage of \$500.00/month through the end of the year.

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14. Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1B	1B	1B	1B	1B	1B
15. Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
16. Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C												

- Complete if coverage offered under self-insured plan
- If self-insured for a portion of the year and fully-insured for a portion, would complete for the months coverage was self-insured
- Check months a member was covered even if only covered for 1 day of the month
- Include employee as well as covered spouse and dependents
  - May use additional sheet if more than 6 individuals
- For retirees and COBRA participants, if never employed during 2018, you would use 1G/blank in Part II and then check the months covered in Part III

# Form 1094-B

110116

<b>Form 1094-B</b>		<b>Transmittal of Health Coverage Information Returns</b>		OMB No. 1545-2252	
Department of the Treasury Internal Revenue Service		▶ Go to <a href="http://www.irs.gov/Form1094B">www.irs.gov/Form1094B</a> for instructions and the latest information.		<b>2018</b>	
1 Filer's name		2 Employer identification number (EIN)		<b>For Official Use Only</b> 	
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 <b>1094-B</b> (2018)	

# Form 1095-B

560118

Form **1095-B**

Department of the Treasury  
Internal Revenue Service

## Health Coverage

► Do not attach to your tax return. Keep for your records.

► Go to [www.irs.gov/Form1095B](http://www.irs.gov/Form1095B) for instructions and the latest information.

☐ VOID

OMB No. 1545-2252

☐ CORRECTED

**2018**

### Part I Responsible Individual

1 Name of responsible individual—First name, middle name, last name		2 Social security number (SSN) or other TIN	3 Date of birth (if SSN or other TIN is not available)
4 Street address (including apartment no.)	5 City or town	6 State or province	7 Country and ZIP or foreign postal code
8 Enter letter identifying Origin of the Health Coverage (see instructions for codes): . . . . .		9 Reserved	

### Part II Information About Certain Employer-Sponsored Coverage (see instructions)

10 Employer name		11 Employer identification number (EIN)	
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

### Part III Issuer or Other Coverage Provider (see instructions)

16 Name		17 Employer identification number (EIN)	18 Contact telephone number
19 Street address (including room or suite no.)	20 City or town	21 State or province	22 Country and ZIP or foreign postal code

### Part IV Covered Individuals (Enter the information for each covered individual.)

(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<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"/>	<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"/>	<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"/>	<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"/>	<input type="checkbox"/>

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

Cat. No. 60704B

Form **1095-B** (2018)

- All EINs filing 250+ forms must file w/ IRS electronically
- Cannot use FIRE site
- Only acceptable format is .XML file less than 100MBs (approx. 10,000 records)
- Must first apply for a Transmitter Control Code (TCC)
  - Registration available online on IRS' AIR page
  - IRS suggests allowing up to 28 days from submitting application to receive approved TCC.
- After receiving TCC, employer must submit certain "Test Packages" to demonstrate correct format
- While the copies to the individuals are due by March 4<sup>th</sup>, 2019, e-filing to IRS not due until April 1<sup>st</sup>, 2019
  - As an advisor, may want to recommend using a vendor for e-filing depending on client's timeframe and tech ability



# Correcting Forms

- If error is on 1094 form, check “corrected” and submit with no other information
  - Do not submit copies of 1095-C forms
- If error is on 1095 form, check “corrected” on the 1095 and then file along with the 1094 w/ no additions or edits made to the 1094
  - Use the 1094 as a cover sheet, essentially
  - Send copy of corrected form (with “corrected” checked) to employee
- If error is on 1095 form for employee (but not IRS) do not check “corrected” but rather print “corrected” on the face of the form
- Note: corrections are for previously submitted forms
  - If never submitted, it isn’t a correction but an original submission



# QUESTIONS?

You may ask your question  
in the questions box at any time.  
Any questions that we do not answer  
during the webinar will be posted on the  
compliance corner webpage in the  
coming weeks.