

Employee Benefits Series



Top 5 ACA Information Reporting Mistakes

Forms 1094-B, 1095-B, 1094-C & 1095-C



Top 5 ACA Information Reporting Mistakes



Mistake #1

Only large employers that sponsor group health plans are required to report.



Correction

- [Applicable large employers](#) (ALEs)—generally those with **50 or more full-time employees**, including full-time equivalents (FTEs)—are required to report information to the IRS and to their full-time employees about their compliance with the [employer shared responsibility \("pay or play"\) provisions](#), regardless of whether the employer offers coverage or any employees enroll.
 - In general, the "pay or play" provisions require ALEs to offer affordable health insurance that provides a minimum level of coverage to full-time employees (and their dependents) **or** pay a penalty tax if any full-time employee is certified to receive a premium tax credit for purchasing individual coverage on the Health Insurance Exchange (Marketplace).
- Self-insuring employers—**regardless of size**—and [other parties that provide minimum essential health coverage](#) (such as insurance carriers) are required to report information on this coverage to the IRS and to covered individuals.



Mistake #2

Employers that qualified for 2015 transition relief from "pay or play" penalties do not have to report.



Correction

- ALEs with **50 to 99 full-time employees** (including FTEs) that were [eligible for transition relief based on size](#) are **still subject to the reporting requirements for 2015** with respect to their full-time employees. As part of this transition relief, such employers **must certify on the 2015 transmittal Form 1094-C** (that will be filed in 2016), that they meet the applicable eligibility criteria.
- ALEs [eligible for non-calendar year plan transition relief](#) are **still subject to the reporting requirements for 2015** with respect to their full-time employees. As part of this transition relief, such employers **must certify as to their eligibility on the 2015 transmittal Form 1094-C** (that will be filed in 2016) with regard to their 2015 plan years, including the months of the 2015 plan year that fall in calendar year 2015. Such employers **will also certify** with regard to the months of their 2015 plan years that fall in 2016 on the **transmittal Form 1094-C for 2016** (that will be filed in 2017).

Top 5 ACA Information Reporting Mistakes



Mistake #3

Penalty relief is available for all types of reporting errors.



Correction

- Relief is provided from penalties under the Internal Revenue Code for incorrect or incomplete information reported on the 2015 returns or statements, **but only for reporting entities that can show good faith efforts to comply.**
- No relief is provided in the case of reporting entities that **fail to timely file**, unless certain standards for reasonable cause are satisfied.



Mistake #4

All employers are required to file electronically.



Correction

- Reporting entities that are required to file **250 or more** information returns (Forms 1095-B and 1095-C) **must file electronically** through the [ACA Information Returns \(AIR\) program](#).
- Copies of Forms 1095-B and 1095-C (as applicable) must be furnished to covered individuals/full-time employees on paper by mail, unless the recipient **affirmatively consents** to receive the statement in an electronic format.
- Reporting entities that file **fewer than 250 information returns** may file electronically **or** on paper.

Top 5 ACA Information Reporting Mistakes



Large employers that sponsor self-insured group health plans must use both sets of Forms to satisfy their reporting obligations.

- Employers subject to both reporting provisions (generally **self-insured employers with 50 or more full-time employees**, including FTEs) will satisfy their reporting obligations using **Forms 1094-C and 1095-C**. Form 1095-C includes separate sections for reporting under each provision.
- ALEs that provide fully-insured coverage also will report using Forms [1094-C](#) and [1095-C](#), but will complete only the applicable section of the Form 1095-C.
- Self-insuring employers that are not ALEs will report on Forms [1094-B](#) and [1095-B](#).

Additional Resources

More information on employer reporting obligations can be found in the [2015 Instructions for Forms 1094-B and 1095-B](#) and the [2015 Instructions for Forms 1094-C and 1095-C](#). IRS [Questions and Answers](#) for self-insuring employers and other providers of minimum essential health coverage, and separate IRS [Questions and Answers](#) for applicable large employers, are also available.

Top 5 ACA Information Reporting Mistakes

Provided by:



We design, build and manage employee benefit programs

Patterson Smith Associates, LLC
3 Elm Street - Suite 201
Morristown, NJ 07960

Phone: (800) 572-8859
www.psabenefits.com

Written and created by: HR 360, Inc. | Last updated on March 2, 2016

Note: *The information and materials herein are provided for general information purposes only and are not intended to constitute legal or other advice or opinions on any specific matters and are not intended to replace the advice of a qualified attorney, plan provider or other professional advisor. This information has been taken from sources believed to be reliable, but there is no guarantee as to its accuracy. In accordance with IRS Circular 230, this communication is not intended or written to be used, and cannot be used as or considered a 'covered opinion' or other written tax advice and should not be relied upon for any purpose other than its intended purpose.*

Notice of Copyright and Restrictions on Use: This document is protected under U.S. copyright laws and may not be copied, altered, reproduced, republished, uploaded, posted, or transmitted in any way (electronically or otherwise) except as expressly authorized in writing by HR360. The posting of this document on the Internet is strictly prohibited.