

Employee Benefits Series



# Top 5 ACA Information Reporting Mistakes

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

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## Top 5 ACA Information Reporting Mistakes



Mistake #1



Correction

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

- 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



Correction

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

- 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.

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