

Annual reporting requirements

A guide to your clients' responsibilities under the Affordable Care Act

Federal law requires large employers (those with 50 or more full-time-equivalent employees) to document whether they offer minimum essential coverage in compliance with the employer shared responsibility provision of the Affordable Care Act. Employers who self-insure and have more than 50 full-time and full-time equivalent (FTE) employees must also use the 1095-C form to report on which employees and dependents are covered. (The 1095-B form must be used by employers who sponsor self-insured group health plans with fewer than 50 full-time employees.) The following is a short summary of the reporting requirements.

Employers who are required to offer health coverage

Your clients must report annually to the IRS on the coverage they offer their full-time employees and their child dependents.

Include the following information in IRS Form 1095-C for each full-time employee:

- ▶ their employer contact information and employer identification number
- ▶ the year for which you're reporting
- ▶ the employee's name, address, and Social Security number
- ▶ certification that they offered the employee and their dependents the opportunity to enroll in minimum essential coverage, indicating which month the employee was offered the coverage
- ▶ the months for which minimum essential coverage was available to the employee
- ▶ the employee's share of the cost of coverage for the lowest-cost plan you offered, by calendar month

Self-insured employers

Beginning with 2015, employers that sponsor self-insured group health plans must also report on the minimum essential coverage they provide for all covered employees and their dependents.

Include the following information in IRS Form 1095-C for each covered employee:

- ▶ their employer contact information and employer identification number
- ▶ the year for which you're reporting
- ▶ the name, address, and Social Security number (SSN) of the subscriber
- ▶ the name and SSN or Tax Identification Number of each covered person
- ▶ the months that each named person was covered

Include a Form 1094-C, which collates their employees' information, in their Form 1095-C filing.

They don't need to report:

- ▶ supplemental benefits provided by the same plan sponsor
- ▶ coverage supplementing government-sponsored plans (like Medicare)

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What employers need to do

- ① Provide each full-time employee with a copy of their Form 1095-C by March 31 to include with the employee's federal tax filing for the previous calendar year.
- ② File an IRS Form 1095-C for each full-time employee by May 31 on paper or June 30 online to report for the previous calendar year.



Penalties

Employers that don't submit an annual IRS return or provide statements to all full-time employees may be subject to penalties of **up to \$100 per return**, with an **annual maximum of \$1.5 million**.

Information may have changed since publication.

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