

Employee Benefits Series



Top 5 ACA Information Reporting Mistakes

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



Top 5 ACA Information Reporting Mistakes



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

- Large employers that are subject to [employer shared responsibility \("pay or play"\)](#)—generally those with **50 or more full-time employees**, including full-time equivalents—are required to report information to the IRS and to their full-time employees about their compliance, regardless of whether the employer offers coverage or any employees enroll.
 - In general, the "pay or play" provisions require large employers 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.



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

- Large employers with **50 to 99 full-time employees** (including full-time equivalents) that are [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.
- Large employers [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).

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Mistake #3



Correction

Penalty relief is available for all types of reporting errors.

- 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.
- Note: Penalty amounts will increase for returns and statements required to be filed after December 31, 2015.



Mistake #4



Correction

All employers are required to file electronically.

- 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.

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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 full-time equivalents) will satisfy their reporting obligations using **Forms 1094-C and 1095-C**. Form 1095-C includes separate sections for reporting under each provision.
- Large employers 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.
- Small self-insured employers that are not subject to "pay or play" will report on Forms [1094-B](#) and [1095-B](#).

Additional Resources

More information on employer reporting obligations can be found in the [2014 Instructions for Forms 1094-B and 1095-B](#) and the [2014 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 large employers subject to pay or play, are also available.

Note: 2015 Draft Forms [1094-B](#), [1095-B](#), [1094-C](#), and [1095-C](#) are now available.

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