IRS Reporting
1095C / 1094C

CAPITAL
Benefit Services

What is going on here?

The Affordable Care Act (ACA) imposes new reporting responsibilities on employers starting with the 2015 calendar year.

The reporting is similar to the current Form W-2 in that an information return **1095-C** will be prepared for each applicable employee, and these returns will be filed with the IRS using a single transmittal form **1094-C.**

What is the IRS looking for?

The IRS will use the information to determine whether **employees** are subject to the new penalty for not having health coverage or…..are eligible for premium tax credits on insurance purchased through the health insurance marketplace.

The information will also allow the IRS to determine if an **employer** is liable for a shared responsibility penalty.

How to determine if this applies to you or not?

Applicable large employers are those that had, on average, at least 50 full-time employees (including full-time equivalent employees) during the preceding calendar year.

Full-time employees are those who work, on average, at least 30 hours per week or 130 hours a month

Employers need to look at previous year's hours in order to current Full Time Status (*any consecutive 6 months*)

Seasonal, Part Time, Variable Hour, Temporary…
Look Back Measurement Periods

1095-C

Part I
Lines 1 – 13
Basic Employer & Employee Information

Part II
Lines 14 – 16
Offer, Coverage & Cost Information

Part III
Lines 17 – 22
Covered Individuals Information

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

Employer-Provided Health Insurance Offer and Coverage

▶ Information about Form 1095-C and its separate instructions is at www.irs.gov/f1095c.

☐ VOID
☐ CORRECTED

600115
OMB No. 1545-2251
2014

Part I Employee

1 Name of employee	2 Social security number (SSN)
3 Street address (including apartment no.)	
4 City or town	5 State or province / 6 Country and ZIP or foreign postal code

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
9 Street address (including room or suite no.)	10 Contact telephone number
11 City or town	12 State or province / 13 Country and ZIP or foreign postal code

Part II Employee Offer and Coverage

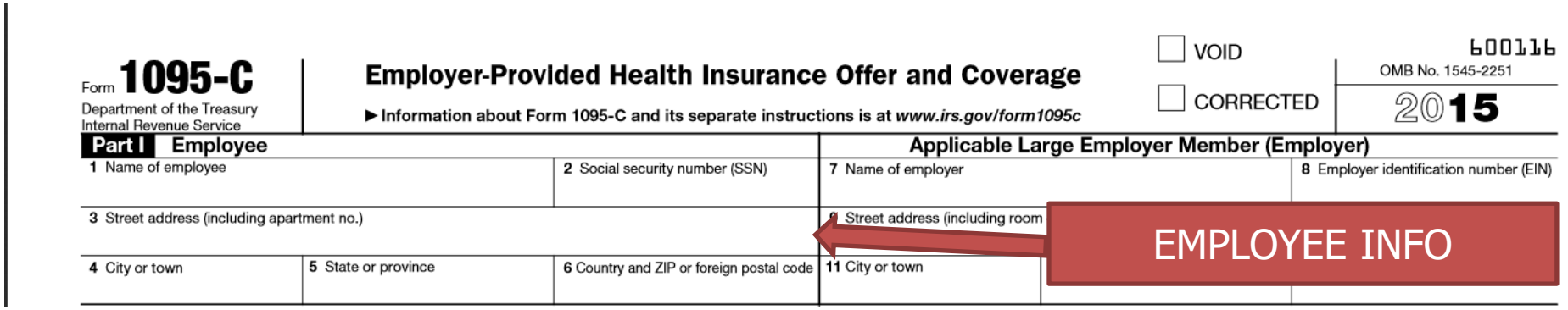
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$	$	$	$	$	$	$	$	$	$	$	$	$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual. ☐

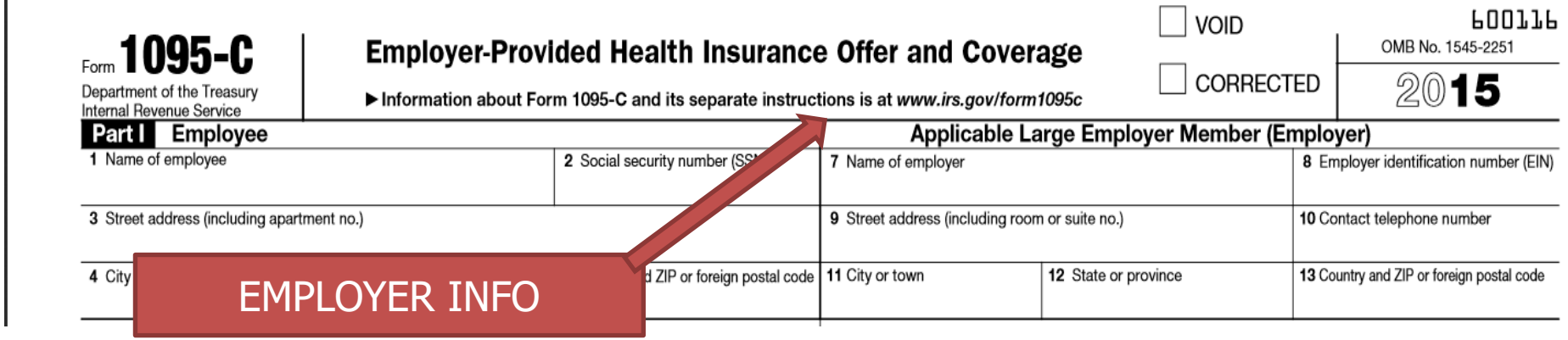
	(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage: Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
18				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
19				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
20				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
21				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
22				☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form **1095-C** (2014)



1. Must be provided to any employee who worked full time for you **in any month throughout the year.**

2. Must be provided to any employee who worked full time for you in any month throughout the year, **even if they waived coverage.**



Question #14: Offer of Coverage (enter required code)

- You must enter one of **9 possible codes** for each month of the year.
- You may enter 1 code in the "All 12 Months" box if the code is the same for all 12 months of the year.

OFFER OF COVERAGE CODE

Part II Employee Offer and Coverage — **Plan Start Month** (Enter 2-digit number):

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

9 Possible Codes for Line 14 (1A – 1I)

1. **1A.** Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).
2. **1B.** Minimum essential coverage providing minimum value offered to employee only.
3. **1C.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse).
4. **1D.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)).
5. **1E.** Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse.
6. **1F.** Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents.
7. **1G.** Offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in self-insured coverage for one or more months of the calendar year. (COBRA)
8. **1H.** No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage).
9. **1I.** Qualifying Offer Transition Relief 2015: Employee (and spouse or dependents) received no offer of coverage, received an offer that is not a qualifying offer, or received a qualifying offer for less than 12 months.

1A – Qualifying Offer

Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line (FPL) and at least minimum essential coverage offered to spouse and dependent(s).

1E – MV/MEC Offer of Coverage

Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse.

For most employers that offer coverage – this will be the most common code used.

1H – No Offer of Coverage

No offer of coverage

(employee not offered any health coverage or employee offered coverage that is not minimum essential coverage).

This code may be used often – especially during a new FT EE's waiting period and first year of employment if on a measurement period.

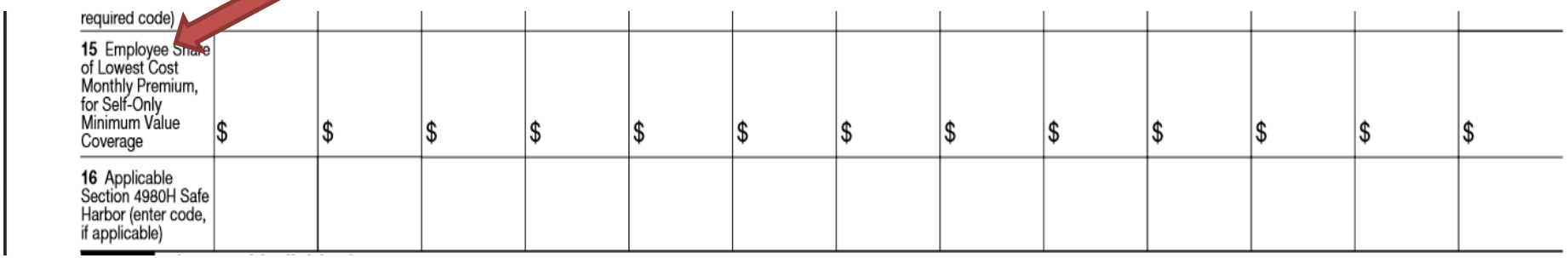
Question #15:

Costs of:

Employee's share of the Monthly premium for Employee-Only coverage of the lowest cost plan you offer

1. You may enter 1 amount in the "All 12 Months" box if the EE cost is the same for all 12 months of the year.
2. Leave blank for months in which no offer of coverage is made.

COST TO EMPLOYEE



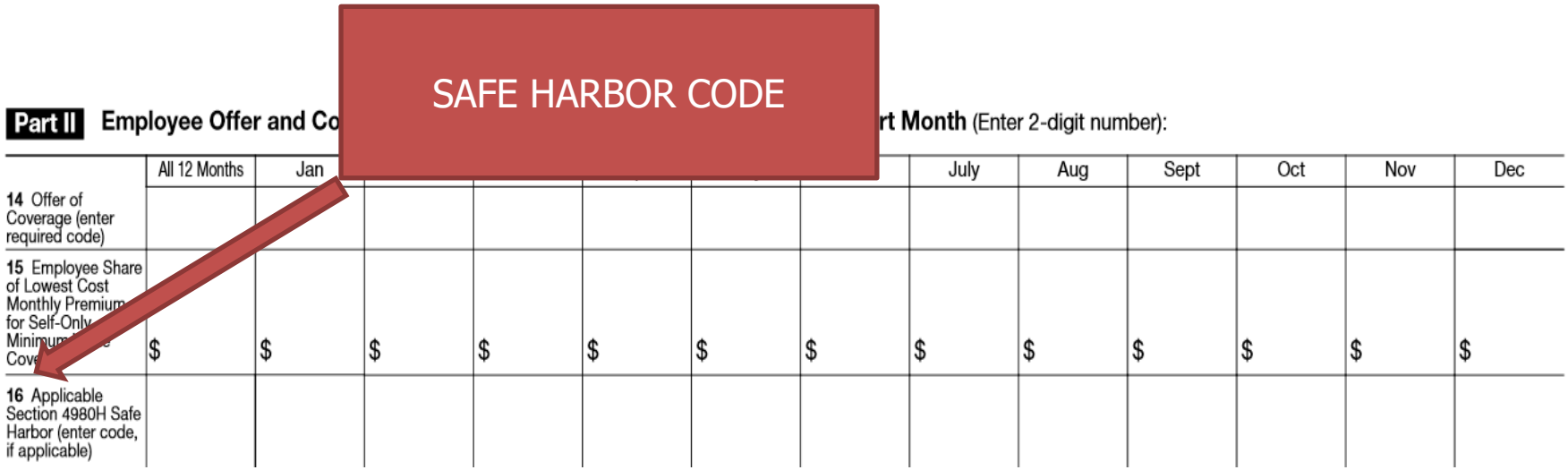
required code)													
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$	$	$	$	$	$	$	$	$	$	$	$	$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Question #16: Applicable Section 4980H Safe Harbor

(enter code if applicable)

You may enter one of 9 possible codes for each month of the year – only if applicable. Leave blank if no safe harbor code applies.

You may enter 1 code in the "All 12 Months" box if the code is the same for all 12 months of the year.

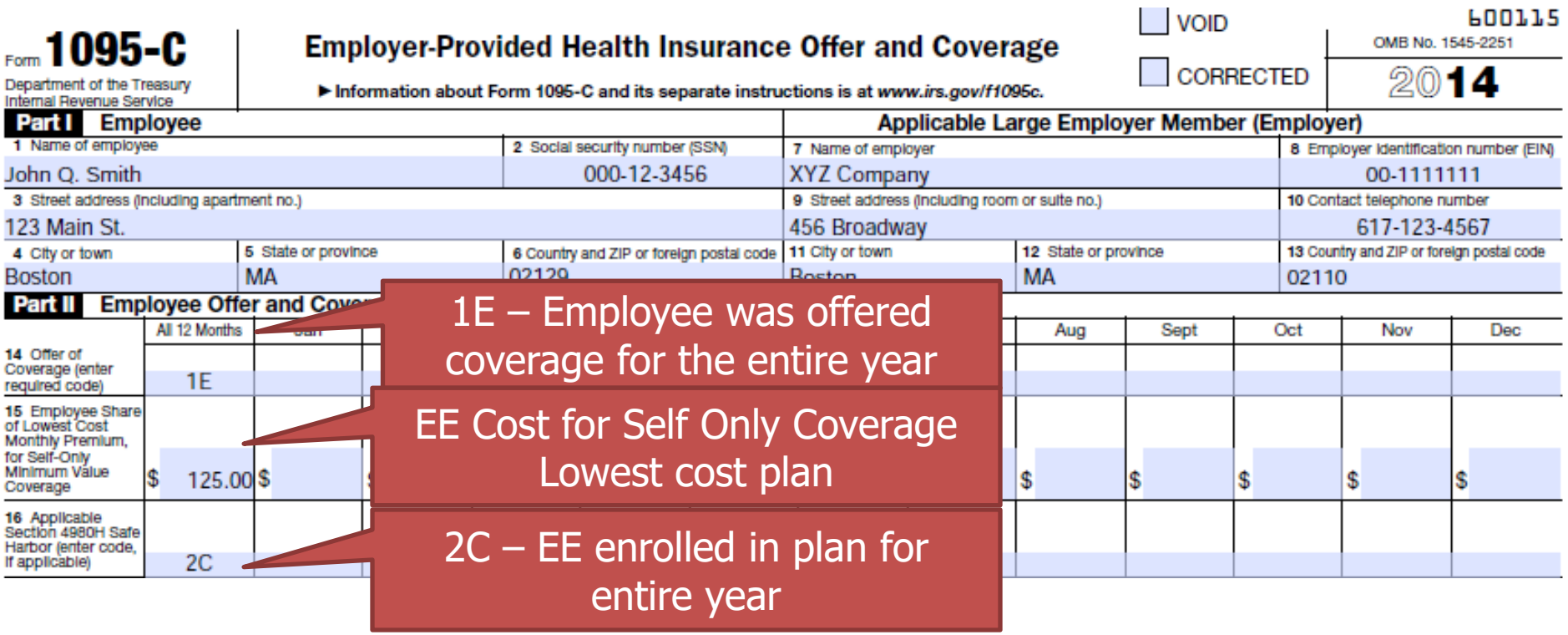


9 Possible Codes for Line 16 (2A – 2I)

1. **2A. Employee not employed during the month.**
2. 2B. Employee not a full-time employee.
3. **2C. Employee enrolled in coverage offered.**
4. **2D. Employee in initial waiting period, measurement period, etc.**
5. **2E. Multiemployer interim rule relief – Union employees**
6. 2F. Section 4980H affordability Form W-2 safe harbor. (if used, must use for all months coverage offered)
7. 2G. Section 4980H affordability federal poverty line safe harbor (may use for any month eligible, but waived)
8. 2H. Section 4980H affordability rate of pay safe harbor. (may use for any month eligible, but waived) Note calculated off of 130 hours per month.
9. 2I. Non-calendar year transition relief applies to this employee.

Lets look at some examples

- **John has worked at XYZ Company for 2 yrs.**
- **His plan is affordable based on his salary.**
- **He covers himself and his dependents are offered the chance to enroll for the entire calendar year.**



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

Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at *www.irs.gov/f1095c.*

☐ VOID
☐ CORRECTED

600115
OMB No. 1545-2251
2014

Part I Employee

1 Name of employee	2 Social security number (SSN)
John Q. Smith	000-12-3456
3 Street address (including apartment no.)	
123 Main St.	
4 City or town	5 State or province / 6 Country and ZIP or foreign postal code
Boston	MA / 02129

Applicable Large Employer Member (Employer)

7 Name of employer	8 Employer identification number (EIN)
XYZ Company	00-1111111
9 Street address (including room or suite no.)	10 Contact telephone number
456 Broadway	617-123-4567
11 City or town	12 State or province / 13 Country and ZIP or foreign postal code
Boston	MA / 02110

Part II Employee Offer and Cove

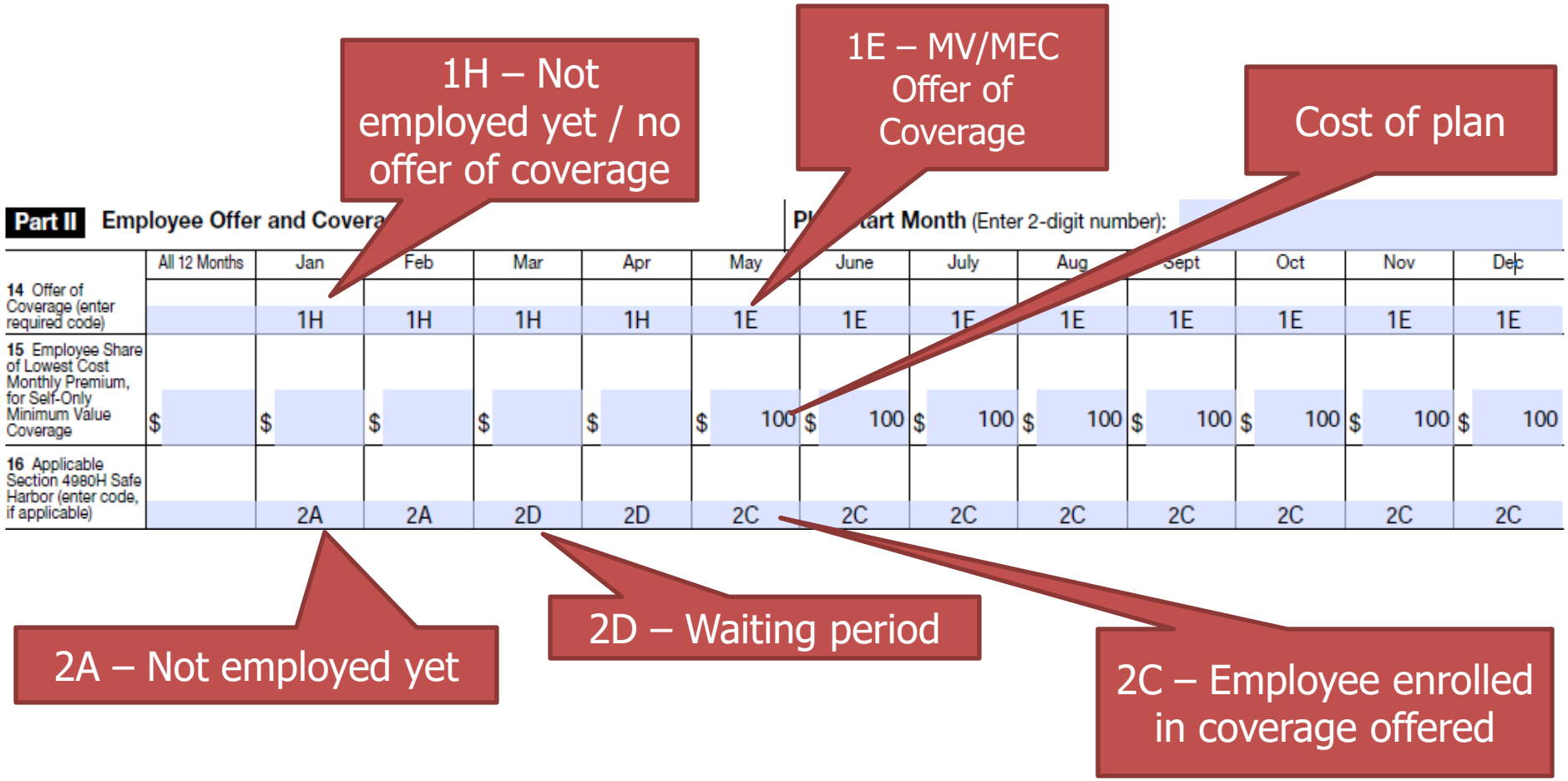
	All 12 Months	Jan						Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E											
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$ 125.00	$						$	$	$	$	$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C											

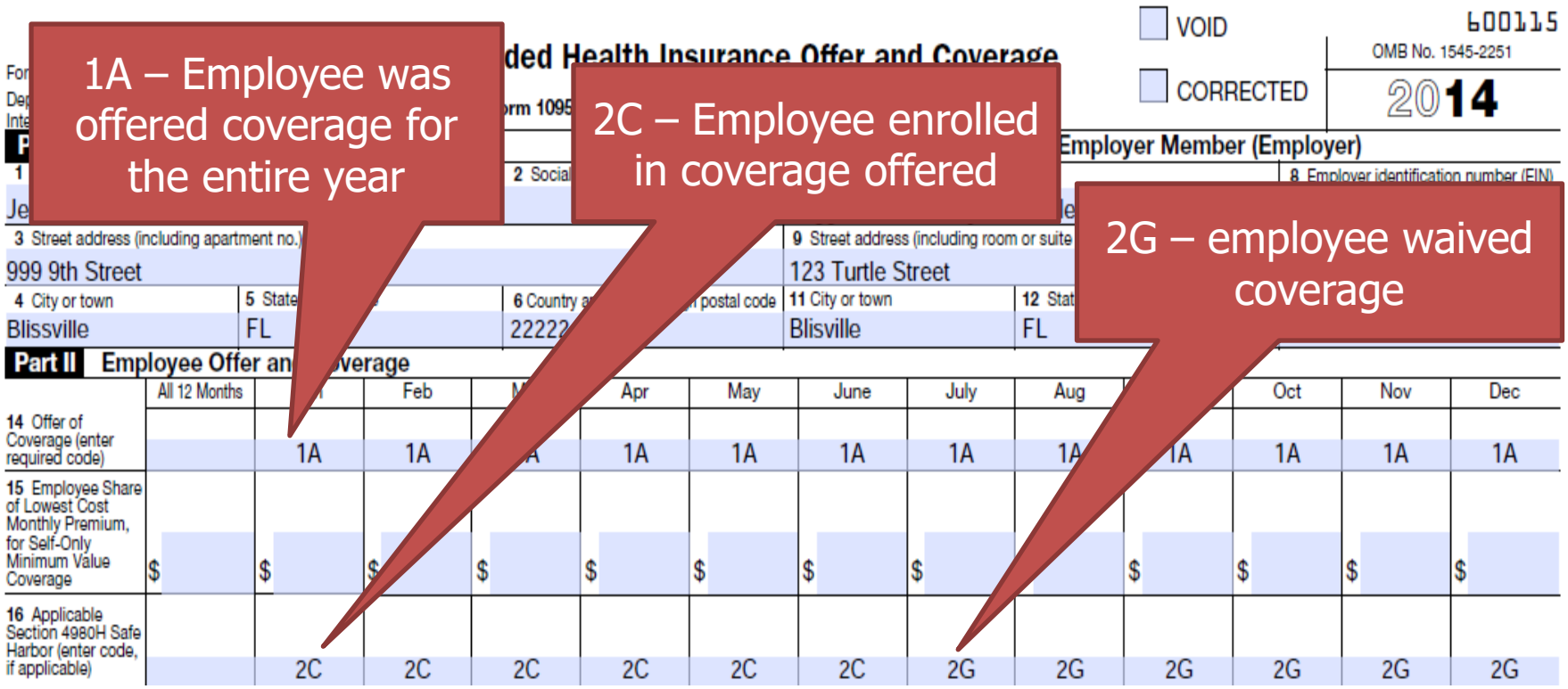
1E – Employee was offered coverage for the entire year

EE Cost for Self Only Coverage Lowest cost plan

2C – EE enrolled in plan for entire year

- **Full Time Employee Hired March 1st 2015**
- **Employee enrolled, dependents offered the chance to enroll**
- **Waiting Period –1st month after 30 days**
- **Plan costs $100 a month**





Full Time Employee / Waived Coverage at Open Enrollment

- **Plan Anniversary 7/1**
- **Employee and dependents eligible to enroll.**
- **FPL Safe Harbor -$50 per month**

Retiree / COBRA Covered All 12 months of Year
Assumptions
Plan anniversary 1/1

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

Employer-Provided Health Insurance Offer and Coverage

▶ Information about Form 1095-C and its separate instructions is at *www.irs.gov/f1095c.*

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☐ CORRECTED

600115
OMB No. 1545-2251

Part I Employee

1 Name of employee	2 Social security number (SSN)	7 Name of employer	8 Employer identification number (EIN)
Jenna Johnson	no dashes	Loggerhead County Tax Collector	with dash

3 Street address (including apartment no.)		10 Contact telephone number
999 9th Street		(305)444-4444

4 City or town	5 State	12 State or province	13 Country and ZIP or foreign postal code
Blissville	FL	FL	22222

Part II Employee Offer and Co

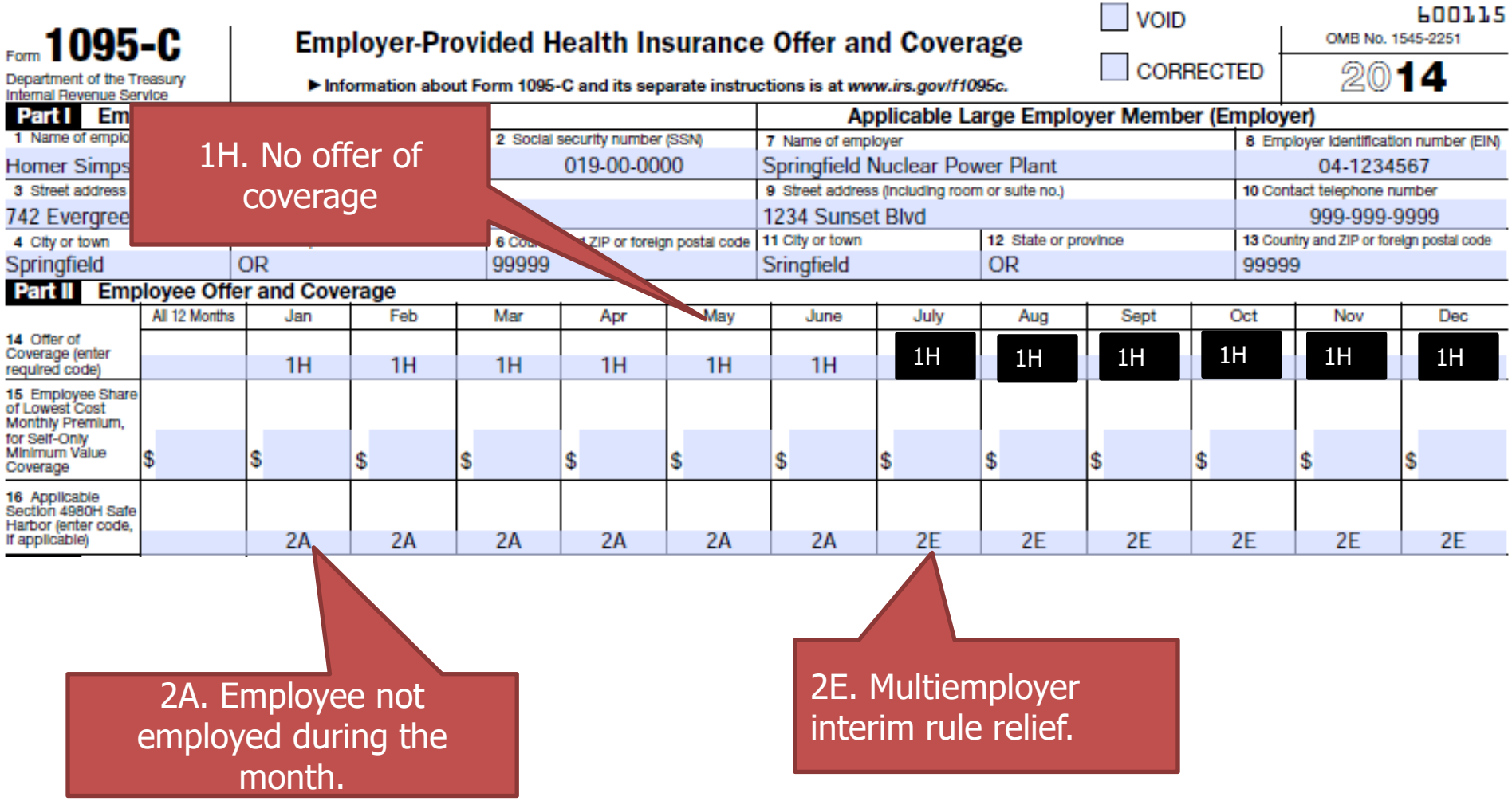
	All 12 Months		Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1H												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$	$	$	$	$	$	$	$	$	$	$	$	$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)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

1H – No offer of coverage

2B – Month of termination

2A – Months no longer employed

Notes:
Employer would use 2B on line 16 for the month of termination and 2A for the remaining months an employee no longer works for the company



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

Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at *www.irs.gov/f1095c.*

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CORRECTED

600115
OMB No. 1545-2251
2014

Part I Em — **Applicable Large Employer Member (Employer)**

1 Name of employ		2 Social security number (SSN)	7 Name of employer		8 Employer identification number (EIN)
Homer Simps		019-00-0000	Springfield Nuclear Power Plant		04-1234567
3 Street address			9 Street address (including room or suite no.)		10 Contact telephone number
742 Evergree			1234 Sunset Blvd		999-999-9999
4 City or town		6 Cou ZIP or foreign postal code	11 City or town	12 State or province	13 Country and ZIP or foreign postal code
Springfield	OR	99999	Sringfield	OR	99999

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	1H	1H	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	$	$	$	$	$	$	$	$	$	$	$	$	$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2A	2A	2A	2A	2A	2E	2E	2E	2E	2E	2E

1H. No offer of coverage

2A. Employee not employed during the month.

2E. Multiemployer interim rule relief.

Union employee covered by a multiemployer plan

Homer belongs to the Local 123 (union). He started to work at Springfield Nuclear on 7/1/2015. Homer is eligible for – and participates in – Local 123's multiemployer health plan. Springfield Nuclear is required to contribute towards the cost of Homer's coverage under a collective bargaining agreement.

Part III – Self Insured Employers Only
Covered Individuals (Dependents)

Part III **Covered Individuals**

If Employer provided self-insured coverage, check the box and enter the information for each covered individual. ☒

	(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN 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	Mary J. Smith	001-23-4567		☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
18	Bill J. Smith	002-34-5678		☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
19	Suzy Q. Smith	003-45-6789		☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒

- 1095-C Part III is for employers with self insured coverage only!
- Need to add info for any covered dependents.
- Name, SSN & Months Covered.
- *(If SSN is not available a DOB may be used after at least 1 initial + 2 documented attempts to get the SSN.)*

1094C

Part I
Basic Employer Information

Part II
Understanding Controlled Group Status

Total Number of 1095C filed

Certifications of Eligibility

120115

Form **1094-C**

Department of the Treasury
Internal Revenue Service

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

▶ Information about Form 1094-C and its separate instructions is at *www.irs.gov/f1094c*.

☐ CORRECTED

OMB No. 1545-2251

2014

Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer)		2 Employer identification number (EIN)
XYZ Company		01-9999999
3 Street address (including room or suite no.)		
123 Main St.		
4 City or town	5 State or province	6 Country and ZIP or foreign postal code
Boston	MA	02129
7 Name of person to contact		8 Contact telephone number
Ms. Mary H.R. Executive		617-123-4567
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 . . . . . ▶

Part II ALE Member Information

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions . . . . . ☒

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member . . . . . ▶ 350

Yes, these can be the same number

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):

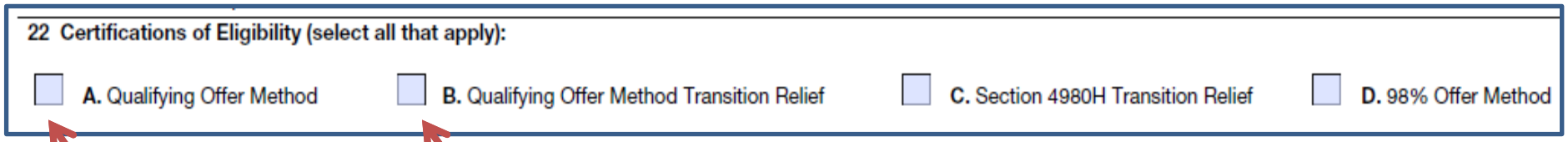
☐ **A.** Qualifying Offer Method ☐ **B.** Qualifying Offer Method Transition Relief ☒ **C.** Section 4980H Transition Relief ☐ **D.** 98% Offer Method

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 ▶ Senior Vice President, Human Resources Title ▶ Date

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 61571A Form **1094-C** (2014)

Answering Question #22 – 1094C



* Box A – Qualifying Offer Method

A Qualifying Offer (QO) is:

1. An offer of Minimum Essential Coverage (MEC) and Minimum Value (the employee-only plan), and MEC to spouse AND dependents AND
2. Employee share of premiums (for employee-only coverage) is affordable based on the Federal Poverty Level (FPL) safe harbor

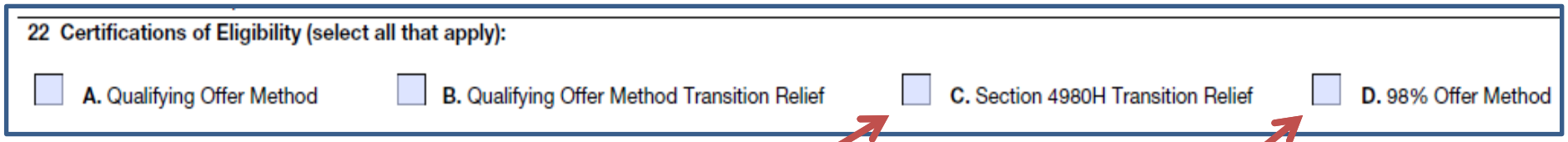
you are saying "my plan is affordable for anyone that is legally considered to be full-time in the entire country; AND their spouse AND dependents are offered coverage. *Note you could leave question 15 on the 1095C blank.*

Box B – Qualifying Offer Method Transition Relief

If you made a QO to at least 95% of your full-time employees, for AT LEAST one month in 2015, you may check this box. It is meant as a grace period for plans that were not in effect, or were not compliant before their plan year started in 2015.

The benefit of checking this box is that for any legally full-time employee that did not receive a QO for all 12 months, you may provide them with a generic statement that says they MAY qualify for subsidies or tax credits for Exchange-based insurance plans. This is not any sort of admission of guilt, this is just a company saying they are working towards compliance and an affordable insurance plan.

Answering Question #22 – 1094C



Box C – Section 4980H Transition Relief

If you have 50-99 Full-Time Equivalencies (FTEs), and you are able to check Box C, you are protected from any penalties for the 2015 calendar year.

If you have 100+ FTEs you will (for 2015 only) qualify for Minus 80 relief from the penalty ($2000 per non-covered employee for not offering insurance plan). For 2015, if you qualify and can check Box C, you will be allowed to subtract the first 80 FTEs from that penalty number.

*** Box D – 98% Offer Method**

If you, as an employer, can certify that affordable, MV coverage was offered for ALL 12 months to AT LEAST 98% of employees for whom you are filing a 1095-C (using any of the safe harbors), you can check Box D. The benefit of this box is simple,

If you can check it and do; you do not have to fill out column b in Part III on this form (FT Employee Count for each month).

PART III – 1094C

Column A – Minimum Essential Coverage Offer Indicator

These columns help to determine whether an employer is liable any penalty. You check **"yes"** if you offered coverage to at least 95% of full-time employees AND dependents.

Column B – Full-Time Employee Count

If you checked Box D (98% method on question #22) you do not do this column. For everyone else: this is where your monthly numbers from the look back time frame will come into play.

Form 1094-C (2014)

Part III ALE Member Information—Monthly

		(a) Minimum Essential Coverage Offer Indicator		(b) Full-Time Employee Count for ALE Member
		Yes	No	
23	All 12 Months	☒	☐	
24	Jan	☐	☐	325
25	Feb	☐	☐	325
26	Mar	☐	☐	332
27	Apr	☐	☐	330
28	May	☐	☐	331
29	June	☐	☐	331
30	July	☐	☐	330
31	Aug	☐	☐	332
32	Sept	☐	☐	331
33	Oct	☐	☐	332
34	Nov	☐	☐	331
35	Dec	☐	☐	332

PART III – 1094C

Column C – Total Employee Count

You must count ALL employees every month. You may use one of the following days (but must use the same day every month).

1. First Day of Month
2. Last Day of Month
3. First day of the first payroll period that starts in a month
4. Last day of the first payroll period that starts in a month

Column D – Aggregated Group Indicator

If you are a member of an aggregated group (subsidiary, affiliates filing under same tax ID, Leased Hospital) you are a member and you will check this box for the months you were considered such.

Column E – 4980 Transition Relief Indicator

1. If you qualified and checked Box C on Question 22, you will specify what protection you are eligible for.
2. If you qualify for the 50-99 FTE relief (and checked the proper box) you will put "A"
3. If you qualify for the Minus 80 relief (and checked the proper box) you will put "B"
4. If neither applies, and you didn't check the box, you can leave this column blank.

(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
	☐	
351	☐	B
352	☐	B
349	☐	B
352	☐	B
350	☐	B
350	☐	B
350	☐	
353	☐	
351	☐	
351	☐	
351	☐	
351	☐	

Form **1094-C** (2014)

In closing…..

NOTES:

- What Payroll Vendor if any are you using?

- Electronic filing is required if the employer files at least 250 returns.
- Employers must file these returns annually by Feb. 28 (March 31 if filed electronically).
- A copy of the Form 1095, must be given to the employee by Jan. 31 and can be provided electronically with the employee's consent.
- Employers will be subject to penalties of up to $500 per return for failing to timely file the returns or furnish statements to employees.
- This is good faith or best effort year.

Tips!

- Deliver with the W-2
- Let your Employees know they’re coming!
- Call our team!!

Thank you….

Contact us:
Capital Benefit Services
425-641-8093
wcompton@capitalbenefitservices.com