


A Better Partnership*



Warner Norcross & Judd^{LLP}
ATTORNEYS AT LAW


PPACA Reporting Requirements

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Breaking News!


- Two New Mid-Year Change in Status Events
 - ◆ IRS Notice 2014-55
 - ◆ Allow employees to drop employer-sponsored coverage if hours fall below 30 hours of service per week but still eligible under employer plan.
 - ◆ Allow employees to drop employer-sponsored coverage in order to enroll in coverage available through the Exchange.
 - > Open Enrollment Period for Exchange
 - > Due to Special Enrollment Right
 - ◆ Permissive, not required
 - ◆ Require Plan Amendment



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What We Will Cover

- Determining Status Refresher
 - ◆ Applicable Large Employer
 - ◆ Full-Time Employee
- Reporting Obligations
 - ◆ 6055
 - ◆ 6056
- Data Collection
- What to Do Now



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“Applicable Large Employer”

- Are you subject to the new reporting requirement?
 - ♦ An employer that employed an average of at least 50 FTEs on business days during the preceding year.
 - ♦ Includes all “common law” employees

Employers who average 50 or more FTEs per month in 2014 subject to reporting requirement for 2015.

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“Applicable Large Employer”

- Full-time employees
 - ♦ Working at least 120 hours per month
- Full-time equivalents (all other employees)
 - ♦ Aggregate number of hours (up to 120)
 - ♦ Divide by 120 hours
- Count all hours of service

- Calculate total FTEs for each month
- Add up monthly totals and average

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Identifying Full-Time Employees

- “Full-time”
 - ♦ Average at least:
 - > 30 hours of service per week; or
 - > 130 hours of service per month
- Includes:
 - ♦ Hours while working
 - ♦ Other hours for which the employee is paid or entitled to pay

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Identifying Full-Time Employees

- Use same method as for employer responsibility compliance:
 - ◆ Monthly (after the fact); or
 - ◆ Use of look-back measurement periods
 - > Use historical data
 - > Characterize employees for coming plan year
- For more information:
 - ◆ <http://www.wnj.com/News-and-Events/Events/Catching-Up-With-Health-Care-Reform-Employers-Resp>

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Reporting Requirements

- Code 6055 - Self-Insured Employer Plans
- Code 6056 - Applicable Large Employer and Offering Employer

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When To Report

- Time to Collect Data: All of 2015
 - ◆ Even if eligible for non-calendar year transition relief under Employer Responsibility Requirements
- Reports Due:
 - ◆ Early 2016, for 2015 data

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Code Section 6055 Reporting

- Applies to “providers” of Minimum Essential Coverage (“MEC”)
 - ♦ Employer reports for self-funded plans
 - ♦ Health Insurer reports for insured plans
- Applies to employers of all size, regardless of number of employees
- Used by IRS to determine if penalty owed under individual mandate

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Code Section 6055 – Who Must Report?

- Each entity that provides MEC during calendar year must furnish statements to covered employees and file information return with IRS
 - ♦ Includes governmental plans
 - ♦ Includes grandfathered plans
 - ♦ Does not include excepted benefits
- Entities:
 - ♦ Health insurance issuers or carriers (fully-insured plans)
 - ♦ Plan Sponsors of self-funded plans
 - ♦ Government for government programs
 - ♦ “any other person”

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Plan Sponsors of Self-Funded Plans

- Typically employer
 - ♦ Keep controlled group rules in mind
 - ♦ Each employer required to report
 - ♦ MEWA – each employer participating in MEWA
- Multiemployer plan: association, committee, or joint board of trustees
- Employee Organization

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6055 - Information Needed

- Name, address, and tax identification number (TIN) (or date of birth if TIN is not available) of employees (primary insured)
- Name, address and employer identification number (EIN) of reporting entity (employer)
- Name, address and EIN of Plan Sponsor
- Telephone number of contact person who can answer questions
- Policy number (if applicable)

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6055 - Information needed

- Name and TIN (or date of birth if TIN is not available) of each individual covered under the plan
- For each covered individual: the months for which the individual was covered and entitled to receive benefits
 - ◆ Even if at least one day in month

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Form 1095-B

Form 1095-B Health Coverage (OMB No. 1545-0047) (2014)

SA0115 (OMB No. 1545-0047) 2014

Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095-b.

Part I Responsible Individual (Policy Holder)

1. Name of responsible individual: _____ 2. Social Security number: _____ 3. Date of birth (if SSN is not available): _____

4. Street address (including apartment or suite no.): _____ 5. City or town: _____ 6. State or province: _____ 7. Country and ZIP or foreign postal code: _____

8. Enter letter identifying Origin of the Policy (see instructions for codes): _____ 9. Self-insured or self-administered? Self-insured Self-administered Managed benefit, if applicable: _____

Part II Employer Sponsored Coverage (if Line 8 is A or B, complete this part)

10. Employer name: _____ 11. Employer identification number (EIN): _____

12. Street address (including room or suite no.): _____ 13. City or town: _____

14. State or province: _____ 15. Country and ZIP or foreign postal code: _____

Part III Issuer or Other Coverage Provider

16. Name: _____ 17. Employer identification number (EIN): _____ 18. Contact telephone number: _____

19. Street address (including room or suite no.): _____ 20. City or town: _____ 21. State or province: _____ 22. Country and ZIP or foreign postal code: _____

Part IV Covered Individuals (Enter the information for each covered individual)

23. Name of covered individual (last, first, and middle initials)	24. SSN (if SSN is not available)	25. Date of birth (MM/DD/YYYY)	26. Months of coverage													
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Call the IRS at 1-800-829-1040. Form 1095-B page 1

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6056 - Information Needed

- Opportunity to Enroll in MEC?
 - ♦ Months that coverage provided minimum value
 - ♦ Months coverage was offered to:
 - > Employee
 - > Spouse
 - > Other dependants?
- Months each full-time employee was eligible for coverage under the plan
- Months in which employee was enrolled in the plan

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6056 - Information Needed

- The employee's cost for individual coverage under most affordable plan option
- Which affordability safe harbor the employer is relying upon (for each month)

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6056 - Information Needed

- Reasons why employer did not have to offer coverage to an employee:
 - ♦ Not employed during month
 - ♦ Not a full-time employee during month
 - ♦ Employee in a limited non-assessment period during month
 - ♦ Contributing to multiemployer plan on behalf of employee pursuant to collective bargaining agreement
 - ♦ Qualify for non-calendar year transition rule

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6056 - What Needs to Be Reported?

- Number of full-time employees for each month
- Name, address and TIN of each full-time employee during the calendar year and the months, if any, the employee was covered under the Plan



Form 1095-C

1095-C Employee-Provided Health Insurance Offer and Coverage
 Applicable Large Employer Member (Employee)
 Form 1095-C 2014

1 Name of employer
2 Employer identification number (EIN)
3 Information about the applicable large employer group health plan
4 City or town
5 Name or address
6 State or province
7 City or town
8 County and ZIP or foreign postal code

9 Employee Offer and Coverage

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
14. Offer of coverage under applicable plan												
15. Employee's election												
16. Employee's election for COBRA continuation coverage												
17. Employee's election for other continuation coverage												
18. Periods of coverage under applicable plan												
19. Periods of coverage under other continuation coverage												

20 Covered Individuals

Individual	SSN	DOB	Sex	Mar	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
17																
18																
19																
20																
21																
22																



Form 1094-C

1094-C Transmittal of Employee-Provided Health Insurance Offer and Coverage Information Returns
 Applicable Large Employer Member (ALE Member)
 Form 1094-C 2014

1 Name of employer
2 Employer identification number (EIN)
3 Name or address
4 City or town
5 Name or address
6 State or province
7 City or town
8 County and ZIP or foreign postal code

9 Name of designated government entity (ALE Member)

10 Social Security number (SSN)

11 State or province
12 County and ZIP or foreign postal code

13 ALE Member Information

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

15 Total number of Forms 1095-C filed by and/or on behalf of ALE Member

16 Is ALE Member a member of an Aggregated ALE Group? If "Yes," check box and complete Part IV.

17 Certifications of Eligibility (check all that apply):
 A. Qualifying Offer Method
 B. Qualifying Offer Method Transition Rule
 C. Section 40801 Transition Rule
 D. 90% Offer Method





6056 - Alternate Reporting 2015 ONLY

- 2015 Alternate Reporting (for those using Poverty Level affordability safe harbor)
 - ♦ Available ONLY for 2015
 - ♦ Requirements:
 - > 1. ALE must certify that it has made a qualifying offer to at least 95% of full-time employees and their dependents; and
 - > Provide an informational statement to all full-time employees
 - ♦ Reports: employee's name, SSN, address and indicates that qualifying offer was made for all 12 months or specific months not offered, and provides statement to employees

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6056 - Reporting Without Full-Time Status Identification

- For those whose plans are over-inclusive (part-time employees also eligible)
 - ♦ Not required to identify on 6056 return whether particular employee is full-time if offered affordable, minimum value MEC to at least 98% of employees (and dependents) for whom are filing a form 1095-C.

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6056 - Transition and Special Rules

- Employers with at least 50 but fewer than 100 full-time employees, (including FTEs)
 - ♦ Must still file for 2015
- For employees participating in Multiemployer Plans:
 - ♦ Considered to offer coverage if required to contribute to multiemployer plan on behalf of employee under CBA
 - ♦ Issue: will administrator of multiemployer plan issue reports and provide information to you?
- Governmental Units:
 - ♦ May report under 6056 on its own behalf or may designate another person or persons that are part of same governmental unit

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6056 - Transition and Special Rules

- Non-calendar year plans
 - ♦ Do you meet transitional rule to avoid penalties until start of plan year in 2015?
 - > All employee tests:
 - Offered coverage to at least 1/3 of all workers in last open enrollment before 2/9/14
 - Coverage at least ¼ of all workers any time between 2/10/13 and 2/9/14
 - > Full-time employee tests:
 - Offered coverage to at least 1/2 of all full-time workers in last open enrollment before 2/9/14
 - Coverage at least 1/3 of all full-time workers any time between 2/10/13 and 2/9/14
 - > No change in plan year since December 12, 2012

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When to Report?

- Transmittal Forms (1094-B or 1094-C)
 - ♦ On or before February 28th of year following calendar year in which it provided MEC to an individual
 - > First one is due February 29, 2016, reporting 2015 information (February 28, 2016 is a Sunday and it's a leap year)
 - ♦ Must be filed electronically if required to file at least 250 forms
 - ♦ Deadline extended until March 31 if filed electronically
- Individual Forms (1095-B or 1095-C)
 - ♦ January 31st following calendar year in which MEC provided, first one is due February 1, 2016 as January 31st is a Sunday
- Annual Filing Obligation
- Early, voluntary compliance acceptable

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Electronic Distribution Requirements

- Same rules that apply to electronic distribution of W-2 forms.
 - ♦ Opt-in consent required
 - ♦ Opportunity to opt-out at any time
 - ♦ Disclosure requirements

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Penalties for Noncompliance

- Transition Relief - 2016
 - ♦ Must file at least incorrect or incomplete information
 - ♦ No relief if no good faith effort or failure to timely file
- Failure to file an information return; and
- Failure to furnish payee statements
- \$100 for each statement, capped at \$1,500,000
 - ♦ Separate penalty for each failure to provide a statement to a responsible individual
- Relief for failure due to reasonable cause

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Next Steps

- Measurement/Determination; Administrative and Stability Periods
 - ♦ Get this nailed down ASAP!
 - ♦ Amend Plan Document if necessary
 - > Substantive eligibility rule
- Review Draft Reporting Forms and Instructions
- Modify and update data infrastructure

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Questions & Answers

Thank you!

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