



# Reporting Under Code §§ 6055 & 6056

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# Introduction

- The Affordable Care Act (“ACA”) created new reporting requirements under Internal Revenue Code (“Code”) §§ 6055 and 6056.
- Under these new reporting rules, certain employers must provide information to the IRS about the medical plan coverage they offer (or do not offer) to their employees.
- Code § 6055 requires insurers, insurance issuers, self-insured health plan sponsors, government agencies that administer government-sponsored health insurance programs and any other entity that provides minimum essential coverage (“MEC”) to report information on that coverage to the Internal Revenue Service (“IRS”) and covered individuals.

# Introduction

- Code § 6056 requires applicable large employers (“ALEs”) subject to the employer shared responsibility rules to report information on the health coverage offered to full-time employees to the IRS and covered individuals.
- The additional reporting is intended to promote transparency with respect to health plan coverage and costs.
- It will also provide the government with information to administer other ACA mandates, such as the large employer shared responsibility penalty and the individual mandate.
- On March 5, 2014, the IRS released two final regulations on the ACA’s health coverage reporting requirements.
- On July 24, 2014, the IRS released draft forms relating to the information reporting requirements under Code §§ 6055 and 6056.

# Summary of Draft Forms

- The draft forms operationalize the information reporting requirements under IRC §§ 6055 and 6056.
- The draft forms issued included:
  - 1095-B Health Coverage. Insurers and self-funded plans will provide one to each enrollee. The form provides information on the coverage provided.
  - 1094-B Transmittal of Health Coverage Information Returns. Transmittal form insurers and self-funded plans will file with IRS along with all the Forms 1095-B.
  - 1095-C Employer-Provided Health Insurance Offer and Coverage. Large employers will provide one to each enrollee. The form provides information on the coverage provided, and on to whom and when the coverage was offered.
  - 1094-C Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns. Transmittal form insurers and self-funded plans will file with IRS along with all the Forms 1095-C.
  - 1095-A Health Insurance Marketplace Statement. Exchanges will provide to their enrollees.

# Who must file?

- An ALE (50 or more full-time and full-time equivalent employees during 2014) must file one or more Forms 1094-C and must file a Form 1095-C for each employee who was a full-time employee of the employer for any month of the calendar year 2015.
- An ALE that provided health coverage through an employer sponsored self-insured health plan must also complete Form 1095-C, Part III for any full-time employee, non-full-time employee, employee family members and others) who are enrolled in an employer-sponsored self-insured health plan.
- If an employer offers health coverage through a health plan, and some of the enrollment options under the plan are employer-sponsored self-insured health arrangements while others are not (for example, some of the enrollment options are insured arrangements), the employer must only complete Form 1095-C, Part III, for the employees who enrolled in the self-insured enrollment option(s) under the plan.

# Who must file?

- An employer that provides health coverage through an employer-sponsored self-insured health plan must complete Form 1095-C, Parts I and III, for any employee who enrolls in the health coverage, whether or not the employee is a full-time employee for any month of the calendar year.
- If the employee is a full-time employee for any month of the calendar year, the employer must also complete Part II.
- If, for all 12 months of the calendar year, the employee is not a full-time employee, the employer must complete only Part II, line 14, by entering code 1G in the "All 12 Months" column.

# Who must file?

- If an employer is providing health coverage in another manner, such as through an insured health plan or a multiemployer health plan, the issuer of the insurance or the sponsor of the plan providing the coverage will provide the information about their health coverage to any enrolled employees, and the employer should not complete Form 1095-C, Part III, for those employees.
- An employer that provides employer-sponsored self-insured health coverage but is not subject to the employer shared responsibility provisions under Code § 4980H (less than 50 employees) is not required to file Forms 1094-C and 1095-C and reports instead on Forms 1094-B and 1095-B for employees who enrolled in the employer-sponsored self-insured health coverage.

# When do the forms have to be filed with the IRS?

- Under both Code §§ 6055 and 6056, the return and transmittal forms must be filed with the IRS on or before February 28 (March 31, if filed electronically) of the year following the calendar year of coverage.
- However, if the regular due date falls on a Saturday, Sunday or legal holiday, entities should file by the next business day. For calendar year 2015, these forms must be filed by February 29, 2016, (or March 31, 2016, if filing electronically).
- These forms are not required to be filed for 2014.
- However, in preparation for the first required filing (in 2016 for 2015 coverage), reporting entities may voluntarily file in 2015 for 2014 in accordance with the draft forms and instructions.



# What has to be provided to participants and when?

- All entities reporting under Code § 6055 or 6056 must furnish a copy of Form 1094-C or 1095-C, as applicable, to the person identified as the responsible individual named on the form.
- Statements must be furnished by mail, unless the recipient affirmatively consents to receive the statement electronically.
- The statement must be furnished on or before January 31 of the year following the calendar year of coverage.
- The first statements are due to individuals by February 1, 2016.

# Form 1095-B – Health Coverage

- **Part 1 - Responsible individual**
  - Indicate the name, address, date of birth and social security number of the responsible individual.
  - The responsible individual is the primary insured employee, former employer, parent, uniformed services sponsor or other person enrolling individual.

# Form 1095-B – Health Coverage

- **Part 1 - Responsible individual**
  - On line 8, a letter must be entered identifying the origin of the policy:
    - A. Small Business Health Options Program (SHOP).
    - B. Employer-sponsored coverage.
    - C. Government-sponsored program.
    - D. Individual market insurance.
    - E. Multiemployer plan.
    - F. Miscellaneous minimum essential coverage.

# Form 1095-B – Health Coverage

- **Part III - Issuer of Other Coverage Provider**
  - This part has to be completed indicating the name and address of the entity providing the coverage.
  - If the coverage is insured, it is the insurer.
  - If the coverage is self-insured, it is the employer or the governmental or other entity providing the coverage.
  - On line 18, the telephone number of a contact person must be entered if there are any questions from the employee participant.

# Form 1095-B – Health Coverage

## ■ Part IV - Covered Individuals

- In this part, the name and social security number of each covered person.
- If the social security number for the covered person cannot be obtained, then the person's date of birth must be entered. In addition, if the person was covered for twelve months, the column (d) is checked,
- If the person was not covered for twelve months, then months during the calendar year covered must be indicated in column (e).

# Form 1094-B – Transmittal of Health Coverage Information Returns

- The name, address and Employer Identification Number of the entity filing the forms must be indicated.
- On line 4, a contract telephone number must be indicated, if questions arise from employee participants.
- On line 9, the total number of Form 1095-B to be filed must be indicated.
- The form must be signed and dated and title of the person signing must be indicated.

# Form 1095-C – Employer-Provided Health Insurance Offer and Coverage

## ■ Part I - Employee

- On lines 1 through 6, indicate the name, address and social security number of the employee offered coverage.
- On lines 7-13 indicate the name, address and employer identification number of the employer.
- On line 10, indicate the telephone number of the person that the employee participant can call if he or she has any questions.

# Form 1095-C-- Employer-Provided Health Insurance Offer and Coverage

## ■ Part II - Employee Offer and Coverage

- On line 14, enter the applicable code for the offer of coverage of each calendar month.
- If the offer was made for the entire calendar year 2015, place the code in the first column.
- A code must be entered for each calendar month January through December, even if the employee was not a full-time employee for one or more of the calendar months.
- Enter the code identifying the type of health coverage actually offered by the employer (or on behalf of the employer) to the employee, if any.
- Do not enter a code for any other type of health coverage the employer is treated as having offered under the dependent coverage transition relief, non-calendar year transition relief, or multiemployer arrangement interim guidance (if the employer is contributing on behalf of an employee but the employee is not eligible for coverage under the multiemployer plan) under Form 1094-C, Part III, column (a).



# Form 1095-C -- Employer-Provided Health Insurance Offer and Coverage

## ■ Part II - Employee Offer and Coverage

### ■ Applicable Codes - Offer of Coverage

- 1A. Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for individual 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).
- 1B. Minimum essential coverage providing minimum value offered to employee only.
- 1C. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse).
- 1D. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)).
- 1E. Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse.

# Form 1095-C -- Employer-Provided Health Insurance Offer and Coverage

## ■ Part II - Employee Offer and Coverage

### ■ Applicable Codes - Offer of Coverage

- 1F. Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents.
- 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. Enter code 1G in the "All 12 Months" box and do not complete the monthly boxes.
- 1H. No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage).
- 1I. Qualified Offer Transition Relief 2015: Employee (and spouse or dependents) received no offer of coverage, received an offer that is not a qualified offer, or received a qualified offer for less than 12 months.

# Form 1095-C -- Employer-Provided Health Insurance Offer and Coverage

- Line 15 is only completed if the coverage offered to the employee provided minimum value and Code 1B, 1C, 1D or 1E is entered in line 14 in either the "all 12 Months" box or in any of the monthly boxes.
- Enter into the Box the amount of the employee's share of the lowest-cost monthly premium of individual coverage minimum essential coverage providing minimum value.
- Enter the entire amount including cents.
- If no amount is required, then 0.00 must be entered.
- If the amount is the same for all 12 months, then the amount is entered into the first column and do not complete the monthly boxes.
- If the employer did not offer health coverage or it offered health coverage that was not minimum essential coverage or did not provide minimum value, do not complete line 15.

# Form 1095-C-- Employer-Provided Health Insurance Offer and Coverage

- On line 16, enter the applicable code for the Code § 4980H Safe Harbor Codes and Other Relief for Employers of each calendar month.
- If the offer was made for the entire calendar year, place the code in the first column.

# Form 1095-C – Employer-Provided Health Insurance Offer and Coverage

- **Applicable Codes- Code § 4980 Safe Harbor Codes and Other Relief for Employers**
  - 2A. Enter code 2A if the employee was not employed on any day of the month. Do not use code 2A for a month if the individual is an employee of the employer on any day of the month. Do not use this code for the month during which an employee terminates employment with the employer.
  - 2B. Enter code 2B if the employee is not a full-time employee for the month and did not enroll in minimum essential coverage, if offered for the month.
  - 2C. Enter code 2C for any month in which the employee enrolled in health coverage offered by the employer, regardless of whether any other code in Code Series 2 might also apply.
  - 2D. Enter code 2D for any month during which an employee is in a Limited Non-Assessment Period
  - 2E. Enter code 2E for any month for which the multi- employer interim guidance applies for that employee.

# Form 1095-C – Employer-Provided Health Insurance Offer and Coverage

- **Applicable Codes- Code § 4980 Safe Harbor Codes and Other Relief for Employers**
  - 2F. Enter code 2F if the employer used the Code § 4980H Form W-2 safe harbor to determine affordability for purposes of Code §4980H(b) for this employee for the year. If an employer uses this safe harbor for an employee, it must be used for all months of the calendar year for which the employee is offered health coverage.
  - 2G. Enter code 2G if the employer used the Code § 4980H federal poverty line safe harbor to determine affordability for purposes of Code § 4980H(b) for this employee for any month(s).
  - 2H. Enter code 2H if the employer used the Code § 4980H rate of pay safe harbor to determine affordability for purposes of Code § 4980H(b) for this employee for any month(s).
  - 2I. Enter code 2I if non- calendar year transition relief for Code § 4980H(b) applies to this employee for the month.

# Form 1095-C – Employer-Provided Health Insurance Offer and Coverage

## ■ Part III - Covered Individual

- This part is only completed if the employer offers self-insured health coverage in which the employee is enrolled.
- This part must be completed for any employee who enrolled in coverage regardless of whether the employee is full-time employee
- If the employer is required to complete this part, an "X" must be entered in the box.
- For this purpose employer-sponsored self-insured health coverage does not include coverage under a multiemployer plan.

# Form 1095-C – Employer-Provided Health Insurance Offer and Coverage

## ■ Part III - Covered Individual

- In this part, the name and social security number of each covered person must be entered.
- If the social security number for the covered person cannot be obtained, then the person's date of birth must be entered.
- In addition, if the person was covered for twelve months, column (d) is checked.
- If the person was not covered for twelve months, then months during the calendar year covered must be indicated in column (e).



# Form 1094-C – ALE Member Information

- **Part I - Applicable Large Employer Member**
  - The name, address and Employer Identification Number of the member filing the forms must be indicated.
  - On lines 7 and 8, a contact person's name and telephone number must be indicated if questions arise.
  - Lines 9 through 16 are only completed if an entity is a Designated Governmental Entity ("DGE") filing on behalf of employer.
  - DGE is a person or persons that are part of or related to appropriately designated for purposes of these reporting requirements.
  - On line 18, the total number of Form 1095-C to be filed must be indicated.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

- The box on line 19 is checked if this Form 1094-C is the Authoritative Transmittal to report aggregate employer-level data for the employer.
- Only one Authoritative Transmittal can be filed for each employer.
- If only one Form 1094-C is being filed for the employer, that Form 1094-C must report aggregate employer-level data for the employer and be identified on line 19 as the Authoritative Transmittal.
- If multiple Forms 1094-C are being filed for an employer so that Forms 1095-C for all full-time employees of the employer are not attached to this transmittal (because Forms 1095-C for some full-time employees of the employer are being transmitted separately), one of the Forms 1094-C must report aggregate employer-level data for the employer and be identified on line 19 as the Authoritative Transmittal.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

- Lines 20–22 should be completed only on the Authoritative Transmittal for the employer.
- If this is not the Authoritative Transmittal for the employer, lines 20–22, Parts III or IV should not be completed.
- The form must be signed and dated and title of the person signing must be indicated.
- On line 20, enter the total number of Forms 1095-C that will be filed by and on behalf of the employer.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

- On line 21, indicate whether the ALE Member is a member of an Aggregated ALE Group.
- An Aggregated ALE Group refers to a group of ALE Members treated as a single employer under Code § 414(b), 414(c), 414(m), or 414(o).
- An ALE Member is a member of an Aggregated ALE Group for a month if it is treated as a single employer with the other members of the group on any day of the calendar month.
- If an ALE is made up of only one person or entity, that one ALE Member is not a part of an Aggregated ALE Group.
- Government entities and churches or conventions or associations of churches may apply a reasonable, good faith interpretation of the aggregation rules under Code § 414 in determining their status as an ALE or member of an Aggregated ALE Group.

# Form 1094-C - ALE Member Information

- **Part II - ALE Member Information**
  - If the member indicates that it is a member of an Aggregated ALE group then the Aggregated Group Indicator must be completed in Part III, column (d) and Part IV to list the other members of the Aggregated ALE Group.
  - If the member is not part of an Aggregated ALE Group for all twelve months of the calendar year then “No” should be checked and Part III, column (d) or Part IV is not completed.
  - On line 22, indicate whether the employer meets the eligibility requirements of one of the Offering Methods and/or one of the forms of Transitional Relief.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

### ■ A. Qualifying Offer Method

- This box is checked if the employer is eligible to use and is using the Qualifying Offer Method for one or more full-time employees.
- To be eligible to use the Qualifying Offer Method, the employer must certify that, for all months during the year in which the employee was a full-time employee for whom a Code § 4980H employer shared responsibility payment could apply, the employer made a Qualifying Offer.

# Form 1094-C - ALE Member Information

- **Part II - ALE Member Information**
  - **A. Qualifying Offer Method**
    - A “qualifying offer” is an offer to one or more of its full-time employees for all months during the year for which the employee was a full-time employee and which are not within a limited non-assessment period, of minimum essential coverage providing minimum value at an employee cost for employee-only coverage not exceeding 9.5% of the mainland single federal poverty line, and that includes an offer of minimum essential coverage to the employees’ spouses and dependents.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

### ■ A. Qualifying Offer Method

- If the employer uses this method, it must not provide on Form 1095-C, line 15, the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value.
- It instead must use the Qualifying Offer Code 1A on Form 1095-C, line 14, to indicate that the employee received a Qualifying Offer for all 12 months.
- Use of this method is optional and an employer may, rather than report using this method and the Qualifying Offer code 1A, report on line 14 the applicable offer code and on line 15 the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value for that month.
- An employer may not, for any month, use code 1A and also report the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value.



# Form 1094-C - ALE Member Information

- **Part II - ALE Member Information**
  - **A. Qualifying Offer Method**
    - If the employer is eligible to use the Qualifying Offer Method, it may use the Qualifying Offer code 1A for any month for which it made a Qualifying Offer to an employee, even if the employee did not receive a Qualifying Offer for all 12 months.
    - However, the employer must furnish a copy of Form 1095-C to any employee who did not receive a Qualifying Offer for all 12 months, unless the Qualifying Offer Method Transition Relief applies.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

### ■ A. Qualifying Offer Method

- **Alternative Method of Furnishing to Employees under the Qualifying Offer Method:** An employer that is eligible to use the Qualifying Offer Method meets the requirement to furnish the Form 1095-C to its full-time employees who received a Qualifying Offer for all 12 months of the calendar year if it furnishes each of those full-time employees either a copy of Form 1095-C as filed with the IRS or a statement containing the following information.
  - Employer name, address, and EIN.
  - Contact name and telephone number.
- A statement indicating that, for all 12 months of the calendar year, the employee and his or her spouse and dependents, if any, received a Qualifying Offer and therefore are not eligible for a premium tax credit.

# Form 1094-C - ALE Member Information

- **Part II - ALE Member Information**
  - **B. 2015 Qualifying Offer Method Transition Relief**
    - This box is checked if the employer is eligible for and is using the Qualifying Offer Method Transition Relief for 2015.
    - For the 2015 calendar year, to be eligible to use the Qualifying Offer Method Transition Relief the employer must certify that it made a Qualifying Offer for one or more months of calendar year 2015 to at least 95% of its full-time employees (spouse and dependent children).

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

### ■ B. 2015 Qualifying Offer Method Transition Relief

- If an employer uses this method, it must not provide on Form 1095-C, line 15, the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value and instead must use either the Qualifying Offer code 1A or the Qualifying Offer Method Transition Relief code 1I on Form 1095-C, line 14, to indicate the months in 2015 for which the employer is eligible for the Qualifying Offer Method Transition Relief code 1I or the months for which the employee received a Qualifying Offer code 1A.
- For any months for which the employee received a Qualifying Offer, the employer must report using the Qualifying Offer code 1A to indicate that the employee received a Qualifying Offer for that month.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

### ■ B. 2015 Qualifying Offer Method Transition Relief

- For any month, use of this method is optional, and an employer may, rather than report using this method and the Qualifying Offer code 1A or the Qualifying Offer Method Transition Relief code 1I, report on line 14 the applicable offer code and on line 15 the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value for that month.
- An employer may not, for any month, use code 1A or code 1I and also report the dollar amount required as an employee contribution for the lowest-cost employee-only coverage providing minimum value.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

### ■ B. 2015 Qualifying Offer Method Transition Relief

- **Alternative Furnishing Methods Under the Qualifying Offer Method Transition Relief for 2015.** Solely for 2015, for any employee of an employer eligible for the Qualifying Offer Method Transition Relief who does not receive a Qualifying Offer for all 12 calendar months, including employees who receive no offer, the employer may, in lieu of providing the employee with a copy of Form 1095-C, furnish a statement containing the following information.

- Employer name, address, and EIN.
- Contact name and telephone number.
- A statement indicating that the employee and his or her spouse and dependents, if any, may be eligible for a premium tax credit for one or more months of 2015.

# Form 1094-C - ALE Member Information

- **Part II - ALE Member Information**
  - **B. 2015 Qualifying Offer Method Transition Method Relief**
    - An employer that is eligible for the Qualifying Offer Method Transition Relief for any employee who receives a Qualifying Offer for all 12 months of the calendar year may, in lieu of furnishing the employee a copy of Form 1095-C, furnish a statement as described in Alternative Method of Furnishing to Employees Under the Qualifying Offer Method.

# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

### ■ C. Code § 4980H Transition Relief

- This box must be checked if either (1) 2015 Code § 4980H Transition Relief for ALEs with Fewer Than 100 Full-Time Employees, Including Full-Time Equivalent Employees (50-99 Transition Relief) or (2) 2015 Transition Relief for Calculation of Assessable Payments Under Code § 4980H(a) for ALEs with 100 or More Full-Time Employees, Including Full-Time Equivalent Employees (100 or More Transition Relief) apply.
- If an employer checks this box, it must also complete Form 1094-C, Part III, column (e), Code § 4980H Transition Relief Indicator, to indicate the type of Code § 4980H transition relief for which it is eligible.



# Form 1094-C - ALE Member Information

## ■ Part II - ALE Member Information

### ■ D. 98% Offer Method

- This box is checked if the employer is eligible for and is using the 98% Offer Method. To be eligible to use the 98% Offer Method, an employer must certify that it offered, for all months of the calendar year, affordable health coverage providing minimum value to at least 98% of its employees and their dependents for whom it is filing a Form 1095-C employee statement.
- The employer is not required to identify which of the employees for whom it is filing were full-time employees, but the employer is still required to file Forms 1095-C on behalf of all of its full-time employees.
- (For this purpose, the health coverage is affordable if the employer meets one of the Code § 4980H affordability safe harbors.)

# Form 1094-C - ALE Member Information

- **Part II - ALE Member Information**
  - **D. 98% Offer Method**
    - If an employer uses this method, it is not required to complete the “Full-Time Employee Count” in Part III, column (b).
  - The form must be signed and dated and title of the person signing must be indicated.

# Form 1094-C - ALE Member Information

- **Part III - ALE Member Information- Monthly**
  - Column (a) Minimum Essential Coverage Offer indicator
    - If the employer offered minimum essential coverage under an eligible employer-sponsored plan to at least 95% of its full-time employees and their dependents for the entire calendar year, enter "X" in the "Yes" checkbox on line 23 for "All 12 Months".
    - If the employer offered minimum essential coverage to at least 95% of its full-time employees and their dependents only for certain calendar months, enter "X" in the "Yes" checkbox for each applicable month.

# Form 1094-C - ALE Member Information

- **Part III - ALE Member Information- Monthly**
  - Column (a) Minimum Essential Coverage Offer indicator
    - For the months, if any, for which the employer did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents, enter "X" in the "No" checkbox for each applicable month, or enter "X" in the "All 12 Months" box on line 23 if the employer did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents for any of the 12 months.
    - However, an employer that did not offer minimum essential coverage to at least 95% of its full-time employees and their dependents but is entitled to certain transition relief described in the instructions later under Code § 4980H Transition Relief for 2015 should enter an "X" in the "Yes" checkbox for Part III, line 23, column (a), as applicable.

# Form 1094-C - ALE Member Information

- **Part III - ALE Member Information- Monthly**
  - Column (a) Minimum Essential Coverage Offer indicator
    - For purposes of column (a), an employee in a Limited Non-Assessment Period is not counted in determining whether minimum essential coverage was offered to at least 95% of an employer's full-time employees and their dependents.
    - For purposes of column (a), if the employer offered minimum essential coverage to all but five of its full-time employees and their dependents, and if five is greater than 5% of the number of full-time employees of the employer, the employer may report in column (a) as if it offered health coverage to at least 95% of its full-time employees and their dependents (even if it offered health coverage to less than 95% of its full-time employees and their dependents, for example to 75 of its 80 full-time employees and their dependents).

# Form 1094-C - ALE Member Information

- **Part III - ALE Member Information- Monthly**
  - Column (b) Full-Time Employee Count for ALE Member
    - Enter the number of full-time employees for each month, but do not include any employee in a Limited Non-Assessment Period. (If the number of full-time employees (excluding employees in a Limited Non-Assessment Period) for a month is zero, enter o.)
    - If the employer certified that it was eligible for the 98% Offer Method by selecting box D, on line 22, it is not required to complete column (b).

# Form 1094-C -ALE Member Information

- **Part III - ALE Member Information- Monthly**
  - Column (c) Total Employee Count for ALE Member
    - Enter the total number of employees, including full-time employees and non-full-time employees, for each calendar month.
    - An employer must choose to use either the first day of each month or the last day of each month to determine the number of employees per month and must use the same day (first or last day of the month) for all months of the year.
    - If the total number of employees was the same for every month of the entire calendar year, enter that number in line 23 "All 12 months."
    - If the number of employees for any month is zero, enter 0.

# Form 1094-C - ALE Member Information

## ■ Part III - ALE Member Information- Monthly

### ■ Column (d) Aggregated Group Indicator

- An employer must complete this column if it checked "Yes" on line 21, indicating that, during any month of the calendar year; it was a member of an Aggregated ALE Group.
- If during each month of the calendar year the employer was a member of an Aggregated ALE Group, enter "X" in the "All 12 months" box.
- If the employer was not a member of an Aggregated ALE Group for all 12 months but was a member of an Aggregated ALE Group for one or more month(s), enter "X" in each month for which it was a member of an Aggregated ALE Group.
- If an employer enters "X" in one or more months in this column, it must also complete Part IV.



# Form 1094-C - ALE Member Information

- **Part III - ALE Member Information- Monthly**
  - Column (e) Code § 4980H Transition Relief Indicator
    - If the employer certifies by selecting box D on line 22, that it is eligible for Code § 4980H Transition Relief and is eligible for the 50 to 99 Relief, enter code A.
    - If the employer certifies by selecting box C on line 22, that it is eligible for Code § 4980H Transition Relief and is eligible for the 100 or More Relief, enter code B.
    - An employer will not be eligible for both types of relief.

# Form 1094-C - ALE Member Information

- **Part IV - Other ALE Members of Aggregated ALE Group**
  - An employer must complete this Section if it checks "Yes" on line 21.
  - If the employer was a member of an Aggregated ALE Group for any month of the calendar year, enter the name(s) and EIN of up to 30 of the other Aggregated ALE Group members.
  - If there are more than 30 members of the Aggregated ALE Group, enter the 30 with the highest monthly average number of full-time employees (as reported in Part III, column (b)) for the year or for the number of months during which the ALE Member was a member of the Aggregated ALE Group.

# Form 1094-C - ALE Member Information

- **Part IV - Other ALE Members of Aggregated ALE Group**
  - Regardless of the number of members in the Aggregated ALE Group, list the members in descending order listing first the member with the highest average monthly number of full-time employees.
  - The employer must also complete Part III, column (d), to indicate which months it was part of the Aggregated ALE Group.

# Penalties for Noncompliance

- A reporting entity that fails to comply with the Code § 6055 or 6056 reporting requirements may be subject to the general reporting penalties for failure to file correct information returns and failure to furnish correct payee statements.
- Two different sections of the Internal Revenue Code discuss the penalties for not complying with Code §§ 6055 and 6056 reporting:
  - Code § 6721 discusses failing to send correct returns to the IRS.
    - The basic penalty is \$100 for each incorrect return.
    - The total fine during any calendar year will not exceed \$1,500,000.
  - Code § 6722 discusses failing to provide employee statements.
    - The penalty is the same as above but applies for not providing individual statements.

# Penalties for Noncompliance

- However, penalties may be waived if the failure is due to reasonable cause and not to willful neglect.
- The final regulations also include short term relief from penalties to allow additional time to develop appropriate procedures for data collection and compliance with these new reporting requirements.
- For returns and statements filed and furnished in 2016 to report offers of coverage in 2015, the IRS will not impose penalties on reporting entities that can show they make good faith efforts to comply with the information reporting requirements.
- This relief is provided only for incorrect or incomplete information reported on the return or statement, including social security numbers, TINs or dates of birth.
- No relief is provided for reporting entities that do not make a good faith effort to comply with these regulations or that fail to timely file an information return or statement

**Questions????????????????**

# Contact Information

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