

How Health Coverage Providers Can Prepare for ACA Reports Due in 2016

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Summary —

Nonprofit organizations need to know to whom the reporting requirements apply and how to properly file the information.

The Affordable Care Act (ACA) requires that employers, insurers, and health care exchanges report certain information to the Internal Revenue Service (IRS) in early 2016. Health coverage providers, including certain employers, will file information returns with the IRS and furnish statements to individuals in 2016 to report group health coverage information for calendar year 2015. Reporting is optional for calendar year 2014.

The IRS requires reporting to determine whether employees have been offered affordable, minimum essential coverage, and whether the employer is subject to shared responsibility payments under the Internal Revenue Code.

Who is required to report?

Employers who are considered an applicable large employer (ALE) are subject to reporting requirements. Additionally, any person or organization that provides minimum essential coverage to an individual must report to the IRS and furnish statements to individuals. This includes:

- Health insurance issuers
- Plan sponsors of self-insured group health plan coverage
- The executive department or agency of a governmental unit that provides coverage under a government-sponsored program

Plan sponsors in a group of companies with common ownership or an affiliated group of companies (a controlled group) that are not an ALE, and providers (such as issuers) that are not reporting as employers, may report as separate entities, or have one entity report for the controlled group.

What qualifies as an ALE?

An ALE is an employer that employed an average of at least 50 full-time employees and full-time equivalents (FTEs) during the preceding calendar year. All ALEs must file the report, regardless of whether the employer is a tax-exempt or government entity (including federal, state, local, and tribal governments).

A full-time employee generally includes anyone who was employed on average at least 30 hours of service per week or 130 hours per month. Full-time equivalents are determined by adding up all of the part-time hours in a month (up to 120 hours/employee) and dividing by 120. For example, if six employees work 20 hours/week, the employer would have four FTEs.

What is an ALE required to report?

The ALE is required to report its contact information, a certification that it offered its full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan, and the number of its full-time employees for each calendar month during the calendar year. For each full-time employee, the ALE must report the months during the calendar year for which minimum essential coverage under the plan was available and the employee's share of the lowest cost monthly premium for self-only coverage (before any wellness discount).

When are the reports required to be filed?

Statements to the responsible individual or full-time employees must be provided on or before January 31 of the following year (January 31, 2016 is the first deadline for the 2015 calendar year). Reports must also be filed with the IRS. The normal deadline to file with the IRS is on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which the benefits were offered. However, returns required for the 2015 calendar year must be filed no later than February 29, 2016, or March 31, 2016, if filed electronically.

Forms to file

Small employer (less than 50 full-time employees and full time equivalents FTEs in the preceding calendar year) that does not provide health benefits	No filing requirement
Small insured employer	Insurance company files Forms 1094-B and 1095-B
Small self-insured employer	Employer files Forms 1094-B and 1095-B
ALE that does not provide health benefits	Employer files Forms 1095-C and 1094-C
ALE that is insured	Employer files Forms 1095-C and 1094-C (insurance company also files)
ALE that is self-insured	Employer files Forms 1095-C and 1094-C

CliftonLarsonAllen can provide you with the tools and resources to help you prepare for this requirement. For more information on ACA reporting requirements, visit CLAconnect.com/ACA.

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