

# It's Time Again for Forms 1094-C and 1095-C Filing

Presented by:



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## Reminders

- » This webinar is being recorded—you will receive a link via email
- » Use the question box for any questions or logistical issues
- » You can find a copy of the slide deck in the handouts widget on the webinar console
- » The HRCI and SHRM credit codes will be provided at the end of the webinar
- » Please take our short survey at the end of the webinar—we value your feedback

# Resources Available

The screenshot shows a web application interface with a blue navigation bar at the top containing the following tabs: Wages & Hours, Discrimination, Staffing, Managing Employees, Safety & Health, Leave, Health Care Reform, Benefits, Forms & Policies, Resources, and State Laws. The 'Health Care Reform' tab is selected and has a dropdown menu open, listing the following items: ACA Reporting Forms (1094-C and 1095-C), Employer Requirements, Fees/Taxes, General, and Plan Requirements. Below the navigation bar is a search bar with the text 'Search' and a search tip: 'Search tip: adding quotes around a phrase can provide more results'. Below the search bar is a section titled 'Popular tools' with seven icons representing different resources: Q & A Database, Employee Handbook Builder (marked 'NEW!' and 'UPDATED FOR ALL 50 STATES!'), Classification Tools, Compensation Tool, New FLSA Overtime Regulations, Health Care Reform, and Compliance Calendar.

The screenshot shows a window titled 'Handouts' with a list of PDF documents. The documents are: 1094C At A Glance, 1095C At A Glance, 1095C Code Cheat Sheet, Affordability, ACA Tips Sheet, and Slide deck - It's Time Again for Forms 1094-C and 1095-C.

# Agenda:



Preparing to Report



Completing Reports



After You Report



Action Plan



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## Preparing to Report

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# Step 1: Confirm Whether You Have to Report

- » Applicable Large Employer = ALE
- » *Average* of 50 FT/FTE employees **not** just 50 employees
- » Last year's average determines this year's status

Step 1	Action Items	Resources
Determine whether you are an ALE	Pull hours of service for all employees for the previous calendar year, on a <b>month by month</b> basis	Download from Comply, Book 1: Starting with Basics and Definitions guide and see definition on page 4
	Perform calculations to determine FT & FTE count for each month and average for entire year	Download from Comply, Book 2: Determining Applicable Large Employer Status guide and review step by step process
	Make note of whether your total FT/FTE count for the year is less than 100 or 100+	

# Step 2: Define Who You Are Reporting About

## » Who IS an employee?

- Common law
- Right to control and direct the individual

## » Who is NOT an employee?

- Sole proprietors
- LLP partners & LLC members
- 2% + shareholders in S-Corps
- Correctly classified independent contractors

Step 2	Action Items	Resources
Determine who is an employee	Understand the definition of an “employee” and speak with your advisors if you are unsure	Download from Comply, Book 1: Starting with Basics and Definitions guide and see definition on page 3
	Pull a report for each month with the total number of employees and make note of that number (not FTEs, just total headcount)	

## Step 2: Define Who You Are Reporting About

- » ACA definition vs. internal definition
- » What does **full time** really mean?
- » Tracking is key, even for regular full time employees
- » Monthly measurement method
  - Count hours of service each month and status established each month
- » Look-back measurement method
  - Count hours over 3-12 months and status established each measurement period



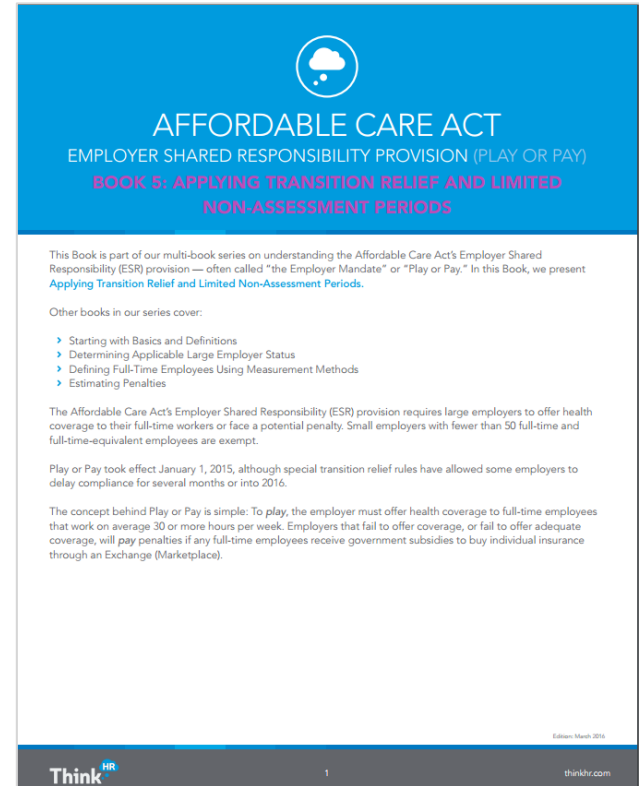
## Step 3: Confirm Your Plan Details

### Plan Option A

- Insured (**YES**/NO)
- Spouses Covered (YES/**NO**)
- Children Covered (**YES**/NO)
- MEC (**YES**/NO)
- MV (**YES**/NO)
- Affordable (**YES**/NO)
- Which Affordability Safe Harbor: **Rate of Pay**
- Lowest employee only monthly cost: \$145.23
- Calendar Year Plan (**YES**/NO)

# Step 4: Confirm Whether Transition Relief Applies

- » Non-calendar year
  - 50–99 = penalty avoidance
  - 100+ = penalty reduction
  - To claim relief: Check Box C on line 22, Part II of Form 1094-C
- » Multiemployer plan relief
  - Union plan contributions
  - To claim relief: Use Code 2E on Line 16 of Form 1095-C (for applicable employees)



# Step 4: Confirm Whether Transition Relief Applies

» Limited Non-Assessment Periods = LNAPs:

- First year as ALE
- Waiting period—Monthly Measurement Method
- Waiting period—Look-Back Measurement Method
- Initial measurement period and administrative period
- Period following change in status during initial measurement period
- First calendar month of employment

# 2

## Completing the 1094/95 Reports



# Step 5: Determine Which Form Applies

## “A” Forms

- » No employer involvement
- » Relates to insurance marketplaces (Exchanges)

## “B” Forms

- » Applies to insurers
- » Applies to small employers with self-funded (self-insured) plans

## “C” Forms

- » Applies to applicable large employers (ALEs)
- » Self-funded ALEs can complete Part III instead of “B” forms

# Step 6: Complete Forms 1095-C

<b>Form 1095-C</b> Department of the Treasury Internal Revenue Service	<b>Employer-Provided Health Insurance Offer and Coverage</b> <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED ▶ Do not attach to your tax return. Keep for your records. ▶ Information about Form 1095-C and its separate instructions is at <a href="http://www.irs.gov/form1095c">www.irs.gov/form1095c</a>	OMB No. 1545-2251 <b>2016</b>													
<b>Part I Employee</b>		<b>Applicable Large Employer Member (Employer)</b>													
1 Name of employee	2 Social security number (SSN)	7 Name of employer	8 Employer identification number (EIN)												
3 Street address (including apartment no.)		9 Street address (including room or suite no.)		10 Contact telephone number											
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	11 City or town	12 State or province	13 Country and ZIP or foreign postal code										
<b>Part II Employee Offer of Coverage</b>		<b>Plan Start Month</b> (Enter 2-digit number):													
14 Offer of Coverage (enter required code)	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
	15 Employee Required Contribution (see instructions)														
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)															
<b>Part III Covered Individuals</b>															
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. <input type="checkbox"/>															
(a) Name of covered individual(s)	(b) SSN or other TIN	(c) DOB (if SSN or other TIN 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			<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"/>
18			<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"/>
19			<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"/>
20			<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"/>
21			<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"/>
22			<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.				Cat. No. 60705M				Form 1095-C (2016)							

# Step 6: Complete Forms 1095-C

Part II Employee Offer of 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 Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													

» Codes for Lines 14 and 16 updated

- Codes 1I and 2I no longer available—related to outdated transition relief
- Codes 1J and 1K added—related to spousal offers of coverage which are conditional

» Label for line 15 updated to better reflect what the IRS is asking for

- See our blog post at: <https://www.thinkhr.com/blog/irs-releases-supplemental-guidance-on-employer-play-or-pay/> for more information on special Line 15 scenarios

# Step 6: Complete Forms 1095-C

Part II Employee Offer of 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 Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													

- » Codes are key
- » Line 14 = always required
- » Line 15 = sometimes required
  - If Codes 1B, 1C, 1D or 1E used on line 14
- » Line 16 = complete if there is an appropriate code available
  - Might be in your best interest to complete
  - Provides the IRS with information about why you shouldn't be penalized



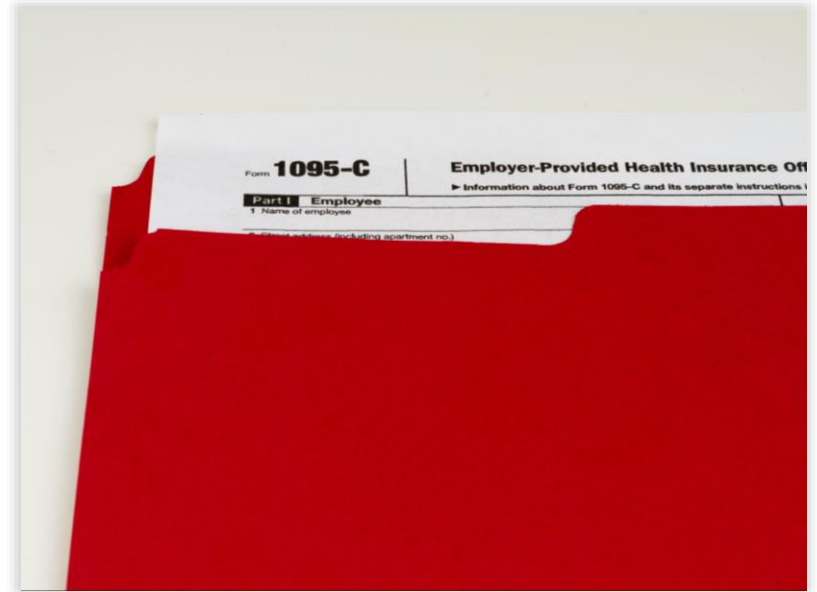
## Step 6: Complete Forms 1095-C

- » Deadline: March 2, 2017
- » Extensions not available for providing form to employees
- » Paper or electronic delivery options
  - Employee consent needed for electronic delivery (see page 6 of instructions)



## Step 6: Complete Forms 1095-C

- » If you need to correct forms after issuing, follow IRS instructions:
  - See page 5 of instructions
- » Late or incorrect statement incurs **\$260 penalty per form**
  - Up to maximum of \$3,193,000



# Step 7: Complete Form 1094-C

Form <b>1094-C</b> Department of the Treasury Internal Revenue Service	<b>Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns</b> ► Information about Form 1094-C and its separate instructions is at <a href="http://www.irs.gov/form1094c">www.irs.gov/form1094c</a>	<input type="checkbox"/> CORRECTED	OMB No. 1545-2251
		<b>2016</b>	
<b>Part I Applicable Large Employer Member (ALE Member)</b>			
1 Name of ALE Member (Employer)		2 Employer identification number (EIN)	
3 Street address (including room or suite no.)			
4 City or town		5 State or province	6 Country and ZIP or foreign postal code
7 Name of person to contact		8 Contact telephone number	
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	
17 Reserved <input type="checkbox"/>			
18 Total number of Forms 1095-C submitted with this transmittal . . . . . ►			
19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions . . . . . <input type="checkbox"/>			
<b>Part II ALE Member Information</b>			
20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member . . . . . ►			
21 Is ALE Member a member of an Aggregated ALE Group? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No			
If "No," do not complete Part IV.			
22 Certifications of Eligibility (select all that apply):			
<input type="checkbox"/> A. Qualifying Offer Method <input type="checkbox"/> B. Reserved <input type="checkbox"/> C. Section 4980H Transition Relief <input type="checkbox"/> 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 _____		Title _____	Date _____
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.		Cat. No. 61571A	Form <b>1094-C</b> (2016)

# Step 7: Complete Form 1094-C

## » Deadline:

- On paper: **February 28, 2017**
- Electronically: **March 31, 2017** (electronic required for 250+ forms)

## » Will you use a vendor to file or self-file?

- If self-filing, you must follow a registration and testing process
- Multi-step, start now

## » Extensions may be possible

- 30-day automatic extension using Form 8809
- Must file on or before form due date
- May be able to extend beyond 30 days for extreme hardship

## Step 7: Complete Form 1094-C

- » Corrections require following IRS process
- » Electronic filing learnings from 2015
  - Employer Name/EIN No Match
  - Employee Name/Social Security No Match
- » Late filing incurs **\$260 penalty** per form up to **\$3,193,000**




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After Filing Is Complete

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# Step 8: Continue the Cycle

- » Exchange notices will arrive throughout the year
  - Appeal if information is incorrect
  - 90 days to appeal
  - This is NOT a notice of a penalty
- » IRS penalty assessments are a separate process
  - No information about timing or process specifics



The image shows the cover of a guide titled "Think HR MARKETPLACE NOTICES (\$ 1411 CERTIFICATIONS)". The cover is white with a blue header and a blue banner. The "Think HR" logo is at the top. The banner contains the title "MARKETPLACE NOTICES (\$ 1411 CERTIFICATIONS)" in white. Below the banner, the text "Guide for Employers:" is in blue, followed by "What to Know and Do About a Marketplace Notice" in black. A hint in black text says "Hint: It is **not** a penalty notice from the IRS!". A black outline icon of an envelope is centered below the text. At the bottom, it says "Edition: October 2016" in small blue text.

**Think<sup>HR</sup>**

**MARKETPLACE NOTICES  
(\$ 1411 CERTIFICATIONS)**

**Guide for Employers:**  
What to Know and Do About a Marketplace Notice  
Hint: It is **not** a penalty notice from the IRS!



Edition: October 2016

# 4

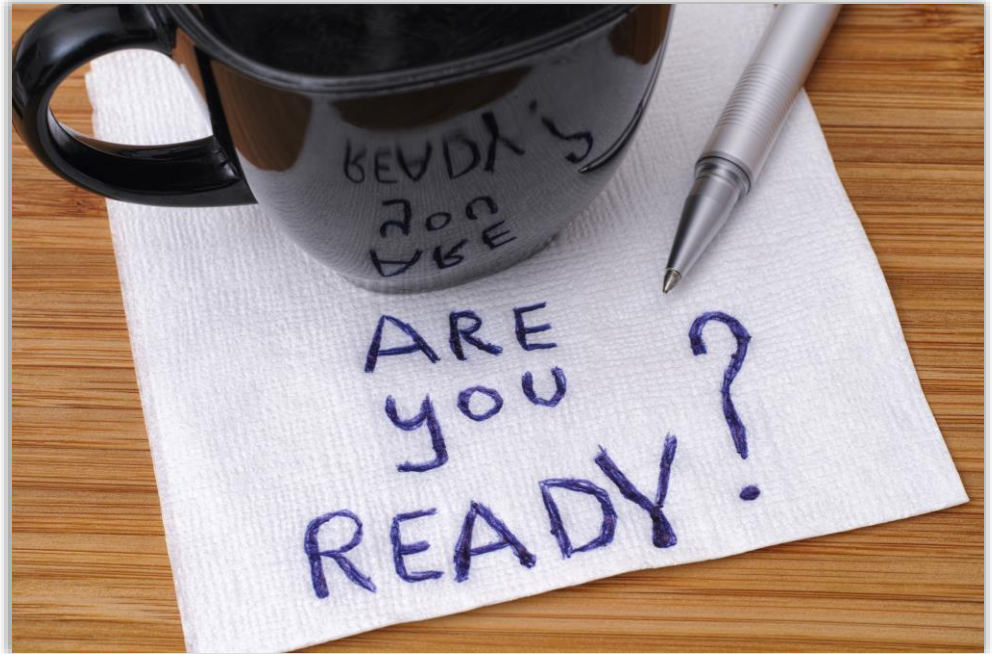
## Action Plan: What to Do Next





## Step 9: Hit the Ground Running

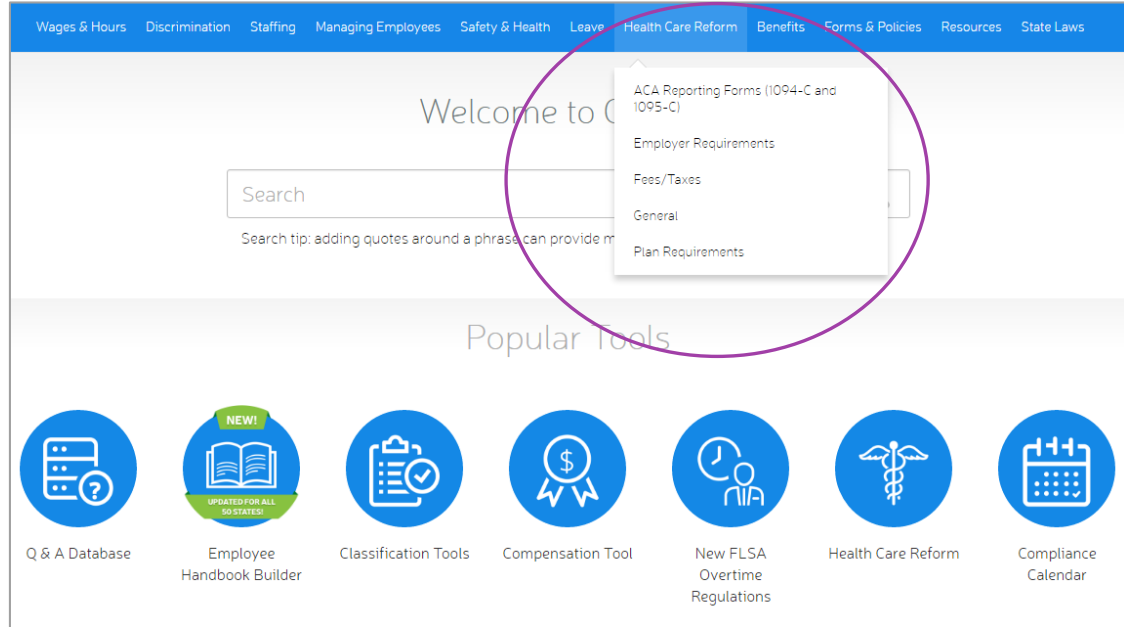
- » Prepare!
- » Create a timeline for yourself
- » Identify roles
  - What will you do?
  - What will your vendor do?



# Step 9: Hit the Ground Running

## » Resources

- Checklist
- IRS instructions
- IRS Q&A
- Resources in Comply (webinars, checklists and more)
- Live team



The screenshot shows a website navigation bar with the following items: Wages & Hours, Discrimination, Staffing, Managing Employees, Safety & Health, Leave, Health Care Reform, Benefits, Forms & Policies, Resources, and State Laws. The 'Health Care Reform' menu item is highlighted, and a dropdown menu is open, listing: ACA Reporting Forms (1094-C and 1095-C), Employer Requirements, Fees/Taxes, General, and Plan Requirements. Below the navigation bar is a search bar with the text 'Welcome to C' and a search tip: 'Search tip: adding quotes around a phrase can provide m'. The 'Popular Tools' section features seven icons: Q & A Database, Employee Handbook Builder (marked 'NEW!' and 'UPDATED FOR ALL 50 STATES!'), Classification Tools, Compensation Tool, New FLSA Overtime Regulations, Health Care Reform, and Compliance Calendar.

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## Questions & Answers

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# ... Continuing Education Credits

HRCI: 294099

SHRM: 16-RFW4A

