



Can you prove your ACA coverage?

The Affordable Care Act (ACA) employer mandates and deadlines are putting plenty of fear, worry and doubt into those who must comply with reporting requirements. Applicable Large Employers (ALEs) should be especially aware of their ACA obligations to employees and the IRS.

Enforcement

Since the ACA became a law, the IRS has managed over 40 provisions regarding implementation of ACA. Perhaps the most pressing from an employer's view point is the play or pay. Large employers (50+ FTEs) who do not offer coverage for all of their full-time employees, offer unaffordable minimum essential coverage or offer plans with high out-of-pocket costs could face tax penalties.

The employer would also be subject to a tax penalty if there is at least one full-time employee certified as having purchased health insurance through an exchange and was eligible for a tax credit or subsidy.

Fines

Employer fines imposed for ACA noncompliance are referred to as employer shared responsibility payments. The full details of who will have to pay, how much to pay and under what circumstances is pretty complicated, but rest assured those fines can be substantial. The IRS official Q&A about this contained 56 entries when it was updated as of May 20, 2015.

Data

ALEs should have been recording and compiling detailed, monthly information as of January 1, 2015, in order to meet filing requirements. Some required data includes:

- ✓ Federal Employer Identification Numbers (FEIN) within a controlled group
- ✓ Total employees
- ✓ Total full-time employees
- ✓ Total months covered
- ✓ Validation that minimum essential coverage was offered, affordable and met the minimum value requirements
- ✓ Personal information, including Social Security Number and birth date

Forms

Required reporting will be done via four IRS forms:

- ✓ 1094-B (Transmittal of Health Coverage Information Returns)
- ✓ 1095-B (Health Coverage)
- ✓ 1094-C (Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns)
- ✓ 1095-C (Employer-Provided Health Insurance Offer and Coverage).

ALEs will file Forms 1094-C and 1095-C, while the coverage provider or self-insured plan sponsor has the legal obligation to furnish forms 1094-B and 1095-B to the plan participants.

Deadlines

Full-time equivalent (FTE) employees must receive their completed forms by February 1, 2016 (due to January 31 falling on Sunday). The paper reporting forms filed with the IRS must be sent in by February 29 (due to leap year) or March 31 for electronic filing. Employers should already be implementing a solution that can manage ACA data and reporting compliance.

Be prepared

The challenges of ACA compliance can be met with the right solution that manages employee data, time and attendance, HR, payroll and benefits so an employer is able to quickly review data. If you use outside assistance, make sure they provide a defined project plan to ensure your compliance.



The bottom line? Be ready - you have to comply!