

# CLIENT ALERT

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## ACTION REQUIRED...Final Employer Reporting Instructions Released on Individual and Employer Mandates

The Internal Revenue Service (IRS) released the final 1094 B & C and 1095 B & C Forms, as well as instructions for their completion. Similar to the W-2, these forms will be used by the IRS and taxpayers for reporting health coverage and costs specific to each employee.

**WHEN DOES THE REPORTING REQUIREMENT TAKE EFFECT?** This information is due by January 31<sup>st</sup> of 2016 for the 2015 calendar year

**WHO MUST COMPLY?** Under the Affordable Care Act, large employers, or employers of any size who sponsor a self-funded plan will be responsible for providing statements to their employees that contain details about the cost of medical coverage.

**HOW IS "LARGE" EMPLOYER DEFINED?** . A "large" employer is one with 50 or more full time equivalent employees, including companies under common ownership. Note that while the Employer Mandate (Pay or Play) was delayed for employers with between 50-100 lives until 2016, the reporting responsibilities have not been delayed.

### EXPLANATION OF THE REPORTING

**THE "C" FORMS – ARE REQUIRED FOR ALL APPLICABLE EMPLOYERS** and answers the basic question of "**Was coverage offered?**" The 1095 and 1094 C Forms help to determine if an employer is offering "affordable" coverage as defined by Healthcare Reform. The primary purpose of this form is to enforce the Employer Mandate and for the individual to determine eligibility for the premium tax credit.

**THE "B" FORMS – ARE REQUIRED FOR ALL SELF INSURED EMPLOYERS** and answers the basic question of "**Was the person covered?**" The 1095 and 1094 B Forms provide information to the IRS as to who has had coverage and who is eligible for assistance in the marketplace. The primary purpose of this form is to enforce the Individual Mandate. For fully insured employers, these forms will be completed by the insurance company.

**HOW CAN CHB GROUP HELP YOU?** While this would normally be considered a payroll function we have explored various solutions and have found a program that we believe will help you comply with these reporting requirements. This product uses an excel download of all your employee information which will be supplied by you. Please let us know if you have arranged this reporting with and outside vendor or if you would like our assistance.

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