

EMPLOYMENT SERVICES ALERT

8/11/14

IRS Issues Draft Forms for 2015 ACA Reporting

On July 24, 2014, the Internal Revenue Service released drafts of the forms that large employers will be required to file in order to show that the health coverage they offer to their employees complies with the Affordable Care Act (ACA) “shared responsibility” mandate, sometimes referred to as “play or pay.”

The issuance of these forms has been much anticipated since the Treasury Department issued tax regulations on the reporting requirements for both the individual mandate and the employer mandate in March. The reporting requirements are designed to notify the federal government about whether individuals and employers are meeting their obligations concerning health coverage under the ACA and to provide relevant information to individuals about their coverage and qualification for a subsidy through a health insurance exchange.

Companies with 100 or more full-time equivalent employees must begin complying with the ACA coverage requirements in 2015, although they will have two years to phase up to the requirement that they cover 95 percent of their workers. Companies with 50 to 99 full-time equivalent employees will have another year—until 2016—to start complying. Smaller businesses are exempt.

The IRS announced that the draft forms are being provided to help employers, tax professionals and other stakeholders prepare for the new reporting provisions under tax code sections 6055 and 6056. Under these requirements, employers must compile monthly and report annually numerous data points to the IRS and their own employees. This data will be used to verify the individual and employer mandates under the law

Expected to be final later in the year, the draft forms were released now to help companies prepare for the new reporting provisions, which will require monthly compilation of data on the employees. The IRS is currently inviting comments on the draft forms.

The forms aim to fulfill the reporting requirements as follows:

<u>6055 Compliance</u>	<u>6056 Compliance</u>
Health insurance issuers, sponsors of self-funded health plans, and other entities that provide minimum essential coverage (MEC) must file:	Applicable large employers that employed an average of at least 50 full-time employees (including full-time equivalents) on business days during the preceding year must file:
Form 1095-B	Form 1095-C
Form 1094-B transmittal page	Form 1094-C transmittal page

Employers will need to update their recordkeeping systems to gather efficiently the month-by-month information required under the shared responsibility reporting requirements for the 2015 calendar.

Roetzel remains ready and able to assist you with all of your ACA compliance issues. For additional information, please contact any of the following attorneys:

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