



Hear That Clock Ticking? The Time to Get Ready for New ACA Reporting Requirements is Now

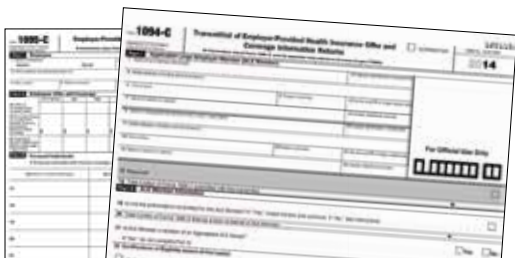
Under the Affordable Care Act (ACA), applicable large employers (ALEs) are required to file information returns with the Internal Revenue Service (IRS) and provide statements to full-time employees. Reporting requirements go into effect in early 2016 for calendar year 2015.

In February 2015, the IRS issued final forms related to reporting requirements:

- **Forms 1095-B and 1094-B** are used for meeting reporting requirements under Internal Revenue Code (IRC) section 6055. IRC section 6055, which is often called the “individual mandate,” requires most individuals to have minimum essential coverage (MEC) or pay a penalty on their personal taxes.



- **Forms 1095-C and 1094-C** are used for meeting the reporting requirements under IRC section 6056. IRC section 6056 outlines the “employer mandate” provision of the ACA and requires employers with 50 or more full-time or full-time equivalent employees to provide MEC or face a penalty.



Under the ACA, ALEs must offer MEC that meets affordability and minimum value requirements. A health plan meets the minimum value standard if it pays at least 60% of the total cost of medical services

for a standard population. Coverage is unaffordable if the employee contribution for the lowest cost employee-only coverage that provides minimum value exceeds 9.5% of the employee’s Form W-2 wages.

Are You an ALE?



According to the IRS, your organization is an ALE if you or other entities that must be combined together with your organization (for instance, other members of an aggregated group)

employed an average of at least 50 full-time employees, including full-time equivalent employees, during the preceding calendar year.

Get the full story: bit.ly/1IKkRib

Ready to Report?

Starting in 2015, reporting requirements apply to all ALEs, even employers with special circumstances that qualified for transition relief from employer shared responsibility payments for 2015.

Here's what you need to know about each form:

FORM	HOW TO USE IT	WHO MUST FILE
1095-B	Use to verify that individuals have MEC that complies with the individual coverage requirements.	<ul style="list-style-type: none"> • Insurers that provide MEC send form to covered individuals. • Insurers also file this form with the IRS. • Self-insured employers not subject to the employer shared responsibility mandate must also file the form with the IRS.
1094-B	Use to transmit individual 1095-Bs to the IRS.	Insurers file with the IRS.
1095-C	Use to verify compliance with the employer shared responsibility mandate. This form establishes employee eligibility for premium tax credits if the employer doesn't offer ACA compliant health coverage.	<ul style="list-style-type: none"> • Employers send the form to employees. • Employers complete Parts I and II of Form 1095-C on behalf of each of their full-time employees, regardless of whether employees are offered coverage.
1094-C	Use to transmit individual 1095-Cs to the IRS.	Insurers file with the IRS.

The employer penalty for not complying with filing requirements is \$250 for each noncompliant Form 1095-C, up to a maximum penalty of \$3 million for each calendar year. But beware: the law says that companies that intentionally disregard the filing requirements can be assessed a penalty greater than \$3 million per year.

WHEN IT'S DUE	WHAT GOES ON THE FORM
Send by January 31, 2016.	<ul style="list-style-type: none"> • Name, address, and employer identification number (EIN) of issuer required to file the form. • Name, address, and taxpayer ID number (usually the Social Security number) of each individual covered under the medical plan. • Months the individual was enrolled in coverage and eligible to get benefits for at least one day during the month.
If submitted in paper form, due to the IRS by February 29, 2016. If submitted electronically, due by March 31, 2016.	Same as 1095-B.
Send by January 31, 2016.	<ul style="list-style-type: none"> • Name, address, and EIN of the ALE, and name and phone number of the ALE's contact person. • Name, address, and taxpayer ID number (usually the Social Security number) of the full-time employee, and months (if any) the employee was covered under the eligible employer-sponsored plan. • Months during the calendar year that MEC was available to full-time employees. • Share of the lowest-cost monthly premium for employee-only coverage providing minimum value offered to full-time employees under the eligible employer-sponsored plan.
If submitted in paper form, due to the IRS by February 29, 2016. If submitted electronically, due by March 31, 2016.	<ul style="list-style-type: none"> • Name, address, and EIN of the ALE, and name and phone number of the ALE's contact person. • Certification for each calendar month that the ALE offered full-time employees and their dependents an opportunity to enroll in MEC under the employer-sponsored plan. • Number of full-time employees for each month during the calendar year. • Number of employee statements being submitted. • If applicable, the names and EINs of companies that are members of the aggregated ALE group (controlled group).

Your clients don't have to tackle the ACA alone

If your client joins ADP TotalSource®:

- ACA experts assist with reviewing your client's data from previous providers and completing Forms 1094-C and 1095-C.
- ADP transmits copies to the IRS on your client's behalf and distributes a copy of the Form 1095-C to full-time employees.
- ADP communicates with your client's employees so they know to expect the Form 1095-C at tax time.

For more information about ADP TotalSource contact your ADP Representative or visit adptotalsource.com.