

REFORM *Update*

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More Details on the Employer Reporting Requirements

Employers will be subject to new reporting requirements beginning with the 2015 calendar year. Reporting requirements apply not just to employers, but also to any organization that provides an individual with minimum essential coverage (MEC). The reporting requirements are complicated. They will challenge most employers.

Over the summer, the Internal Revenue Service (IRS) released model reporting forms, form instructions and questions and answers regarding the reporting requirements. This Update will provide a detailed discussion of the reporting requirements, including:

- Background
- Form 1094-C
- Form 1095-C
- Due dates and delivery requirements
- Penalties for non-compliance

The forms and instructions are drafts intended for reporting in 2015 for coverage offered in 2014. Reporting of coverage is voluntary for 2014. The forms will likely change before employers are required to submit them in 2016, for coverage offered in the 2015 calendar year. Employers will have to report on full-time employees for the entire 2015 calendar year. Employers should begin thinking about how they will collect the required data.

Background

The reporting requirements are found in Sections 6055 and 6056 of the Internal Revenue Code. This reporting affects different entities, uses different forms and serves different purposes.

Section 6055

This reporting applies to insurance carriers, government plans and any other organizations that may provide MEC. This reporting will be used by the IRS to enforce the individual mandate, which requires individuals to purchase MEC or to pay a tax penalty.

Originally, self-funded employers were subject to Section 6055 reporting. However, most self-funded employers will also be required to complete Section 6056 reporting as an Applicable Large Employer (ALE). An ALE is an employer with 50 or more full-time and full-time equivalent employees. The IRS will determine ALE status based on employers under common control, either an IRS control group or an affiliated service group. Employers under common control will be treated as a single employer in determining if the 50 employee threshold has been reached. The IRS was concerned about the burden that Section 6055 reporting would place on employers with self-funded medical plans. The IRS will now allow these employers who qualify as ALEs to satisfy the Section 6055 reporting requirements when they

meet the Section 6056 reporting requirements. Employers who are self-funded but do not qualify as ALEs, however, must still complete the Section 6055 reporting.

Section 6055 requires that insurance providers transmit identifying information about individuals covered under a policy or plan to the IRS. Providers must also send a separate statement to individuals who were covered under the policy or plan. The transmittal form serves as a cover sheet to the individual statements. The individual statements must be sent to individuals covered by a policy or plan as well as to the IRS. If you are a self-funded employer that is not considered an ALE, you will have to use these forms:

- Transmittal Form: Form 1094 B at <http://www.irs.gov/pub/irs-dft/f1094b--dft.pdf>
- Individual Statement: Form 1095 B at <http://www.irs.gov/pub/irs-dft/f1095b--dft.pdf>
- Instructions for completing both forms at <http://www.irs.gov/pub/irs-dft/i109495b--dft.pdf>

These forms will also be used if an employer covers non-employee directors on their self-funded medical plan.

Very few employers will need to complete these forms. Therefore, the remainder of this Reform Update will discuss the Section 6056 reporting requirements in detail.

Section 6056

This reporting applies to ALEs, and will be used by the IRS to calculate potential penalties employers may be subject to under the Employer Mandate. It will be also be used to determine if an individual will be eligible for a premium tax credit in the Health Insurance Marketplace (also called the Exchange). Penalties under the Employer Mandate are not triggered unless an employee receives a premium tax credit in the Marketplace. If an employer offers a full-time employee affordable, minimum value coverage, then the employee and any dependents eligible for coverage are blocked from receiving premium credits in the Marketplace.

The Section 6056 reporting requirement will be met by using Forms 1094-C and 1095-C. Form 1094-C is an aggregate transmittal form that the employer will submit to the IRS as a cover sheet. It will be accompanied by a copy of all the individual statements (Form 1095-Cs) provided to each full-time employee (or even part-time employees if they are covered by your self-funded health plan).

The Section 6056 Forms can be found at:

- Transmittal Form – Form 1094-C at <http://www.irs.gov/pub/irs-dft/f1094c--dft.pdf>
- Individual Statement – Form 1095-C at <http://www.irs.gov/pub/irs-dft/f1095c--dft.pdf>
- Instructions for both forms at <http://www.irs.gov/pub/irs-dft/i109495c--dft.pdf>

Please download and print a copy of each form and the instructions. It is much easier to follow the discussion in the next two sections if you have a copy of each form in front of you.

Form 1094-C

All of the Form 1095-Cs that you produce will be submitted to the IRS along with a single 1094-C transmittal form. Multiple forms for ALEs can be filed together through an authoritative transmittal. This can happen if an ALE wants to file on behalf of all members of an IRS control group. More details on each part of this form are contained below.

Part I

This section collects specific information about the employer. Although ALE status is determined at the IRS controlled group /affiliated service group level, this reporting is done at the employer/EIN level. An employer will enter their details under the name of the ALE member. Lines 1 through 8 cover specifics related the employer.

Lines 9 through 16 will be completed only by government employers. A Designated Governmental Entity (DGE) may complete Form 1094-C on the behalf of a government employer. The entity designated to complete the form will enter the DGE's information on these lines.

The employer must indicate on line 18 how many Form 1095-Cs are being submitted along with the form. As a reminder, the 1095-Cs are the individual statements sent to full-time employees, and are described in the next section.

Part II

Line 19 addresses whether the Form 1094-C is considered the "Authoritative Transmittal." There can only be one Authoritative Transmittal per employer. However, a control group may file an Authoritative Transmittal on behalf of the other ALE members. A single employer may choose to complete multiple 1094-C forms for different divisions. If this approach is taken, one of the 1094-C's must be designated as the Authoritative Transmittal. This box needs to be checked only if this form will be considered the Authoritative Transmittal for the employer.

Line 20 requests the total number of Form 1095-Cs filed by or on behalf of an ALE member. This number may be the same as the number entered in Part I, line 18 or it may be different. It will be different if an ALE member that is part of IRS controlled group is filing on behalf of the group's other ALE members. It could also be different if a single employer decides to file multiple Form 1094-Cs.

Line 21 asks if the employer is a member of an Aggregated ALE Group. The employer must check "Yes" if they were a member of an IRS controlled group/affiliated services group during any part of the calendar year. If that is the case, additional sections of this form will need to be completed.

On line 22, the employer will indicate if they are using any of the available methods to provide simplified reporting, or if they qualify for specific Transition relief. Employers that meet the requirements for these methods may have to report less information on this form as well as the Form 1095-Cs. The employer should check all of the boxes that apply. The following is a description of the possible options:

- A. **Qualifying Offer Method** – Check this box if the employer made a Qualifying Offer to one or more employees. A Qualifying Offer is an offer of a minimum value (60% actuarial value) plan that is considered affordable. Affordable for these purposes means the annual cost for single coverage must less than 9.5 percent of the single Federal Poverty Limit (FPL). To check this box, the employer must certify the qualifying offer was made for all 12 months of the year that the employee is considered full-time. Remember, affordability in this case is based on the cost of single coverage. In addition, a Qualifying Offer must include an offer of MEC to the employee's spouse and dependent children. If an employer uses this method,

specific codes must be entered into Form 1095-C. These codes will be discussed in the next section.

Employers using the “Qualifying Offer” method can provide either a Form 1095-C or a document containing the following information to employees:

- 1) Employer name, address and EIN
- 2) A statement indicating that, for all 12 months of the calendar year, the employee, the employee’s spouse, and any dependent children received a “Qualifying Offer,” and are therefore not eligible for a premium tax credit

Please note, even if the employers chooses to provide the statement above to employees in place of the 1095-C, it appears the employer will still have to provide the 1095-C to the IRS. The substitute statement can only be used if the employee was covered for the full 12 months of the calendar year.

- B. **Qualifying Offer Method Transition Relief** – An employer should check this box if eligible for and using the Qualifying Offer Transition Relief for 2015. The employer must certify that it made a “Qualifying Offer” (as defined above) for one or more months of the 2015 calendar year to at least 95 percent of its full-time employees. If this box is checked, the employer may use designated special codes on Form 1095-C.

For 2015 only, the employer may provide a document including the following information, in lieu of a Form 1095-C, to any employees who **did not** receive a “Qualifying Offer” of coverage for all 12 months of 2015:

- 1) Employer name, address and EIN
- 2) Contact name and telephone number
- 3) A statement indicating that the employee, his or her spouse, and any dependent children may be eligible for a premium tax credit for one or more months in 2015. See IRS Publication 964 for more information on eligibility for the premium tax credit.

If an employee receives a “Qualifying Offer” for all 12 months of 2015, the employer can either furnish the employee with a Form 1095-C or a document containing the following information to employees:

- 1) Employer name, address and EIN
- 2) A statement indicating that, for all 12 months of the calendar year, the employee, the employee’s spouse, and any dependent children received a “Qualifying Offer,” and are therefore not eligible for a premium tax credit.

Please note, if you use this substitute form for individuals, you will still need to submit the Form 1095-C to the IRS.

C. **Section 4980H Transition Relief** – Employers should check this box if they qualify for 4980H transition relief in 2015. Two types of transition relief exist for employers, depending on the number of full-time and full-time equivalent employees within an IRS control group:

- 1) **ALEs with 100 or more full-time and full-time equivalent employees** - These employers are entitled to several types of transition relief in 2015 if they satisfy any of the below requirements:
 - **Reduction of Penalty by the First 80 Full-Time Employees** – Employers faced with a penalty for failing to offer MEC to at least 70 percent of their full-time employees in any given month are entitled to a reduction in penalty for that month by the first 80 full-time employees.
 - **Offers of MEC to at Least 70% of Full-Time Employees** – If an employer offered MEC to at least 70% of its full-time employees, it would escape liability for \$2,000 Mandate penalty.
 - **Dependent Coverage Was Not Offered** – If an employer offers MEC to an employee, but does not offer MEC to a dependent who was not previously offered MEC, the employer would be considered to have offered MEC to the employee and dependent children, so long as the employer takes steps to extend coverage to dependent children in 2015.
 - **Non-Calendar Year Plan Relief**– Certain non-calendar year plans will qualify for transition relief which will allow the employer to comply as of the plan year (rather than the 2015 calendar year). The following requirements must be met:
 - The employer must have offered coverage prior to February 9, 2014
 - The employer must have offered coverage to “significantly all” employees prior to February 9, 2014 (two tests available, one based on all employees and another limited to full-time employees)
 - The employer has to have a non-calendar year plan

The employer must offer full-time employees at least MEC to avoid the mandate penalty. To avoid all penalties, the employer must offer an affordable, minimum value plan at the 2015 plan renewal.
 - **Offer of Coverage by the First Payroll Period in 2015** – If an employer offers coverage to an employee by the first payroll period in January of 2015, the employer would receive relief for the month of January, 2015.
- 2) **Relief for ALEs with less than 100 full-time and full-time equivalent employees.** To qualify for transition relief for the entire 2015 calendar year, the employer must certify the following:
 - **Limited Workforce Size** –The number of full-time employees and full-time equivalent employees falls between 50 and 99.
 - **Maintenance of Workforce and Aggregate Hours of Service** – From February 9, 2014 through December 31, 2014, employers may not reduce the size of their workforce or overall hours of service worked in order to qualify for this transition relief. A reduction of workforce or overall hours of service is permitted, however, for bona fide business reasons.

- **Maintenance of Previously Offered Health Coverage** - From February 9, 2014 through December 31, 2015, the employer does not eliminate or materially reduce health care coverage that was offered as of February 9, 2014. For non-calendar year plans, the reduced health care coverage cannot occur before the last day of the 2015 plan year. Employers are not considered to be eliminating or reducing coverage if:
 - They continue to offer employer contributions toward coverage that is at least 95 percent of the contribution offered on February 9, 2014, or they offer the same contribution percentage.
 - If benefits are modified, the plan retains minimum value after any benefit changes.
 - The employer does not alter the terms of eligibility for the group health plan to narrow or reduce the class of employees or dependents offered coverage under the plan as of February 9, 2014.
- D. **98% Offer Method** – An employer should check this box if eligible for and using this method. To be eligible, an employer must certify that it offered, for all months of the calendar year, affordable, minimum value coverage to at least 98 percent of its employees and their dependents for whom they are providing a Form 1095-C. Affordability can be determined using any of the IRS safe harbors (i.e., FPL, W-2 or Rate of Pay). The employer is not required to identify which of its employees are full-time, as long as all full-time employees are given Form 1095-C.

Employers using this method are not required to provide a full-time employee count in the Part III of this Form.

Part III

Part III is designed to assess if the employer is required to pay the \$2,000 Employer Mandate penalty. In column (a), the employer indicates if MEC was offered to 95 percent of its full-time employees (and dependent children). MEC is simply employer-sponsored health coverage that is not considered an “excepted” benefit.

When determining if MEC was offered, employers are not required to count employees in limited non-assessment periods. Limited non-assessment periods can be confusing, but they are essentially the time periods when an employer cannot be assessed a penalty for failing to offer MEC to a full-time employee. For example, the time a full-time employee spends a permitted waiting period, is considered a non-assessment period. Non-assessment periods include the following:

- The first three full calendar months of employment for a newly hired employee who is expected to work full-time (under either the look-back measurement period or the monthly measurement period). The employee would then be eligible for coverage as a full-time employee.
- The first three months after an employee experiences a change to full-time status during his/her initial measurement period under the look-back measurement period.
- The time spent under the Initial Measurement Period for variable-hour employees when employers are tracking hours to determine full time status. Coverage must be offered at the end of the initial measurement period and any associated administrative period. For employees that measure 30 or more hours per week, coverage must be offered no later than 13 months after the first of the month following the date of hire.

Employers can check “yes” if they offer MEC to 95 percent of all full-time employees (or to five employees, if that is greater than the five percent). Employers can also check “yes” if they qualify for either of the following forms of transition relief in 2015:

1. The relief for employers with fewer than 100 full-time employees/full-time equivalents that meet the criteria listed in bullet “C” in Part II. If you qualify for this relief you should include code “A” in column E of this section.
2. The relief for employers with 100 or more full-time and full-time equivalent employees. This relief allows employers to satisfy the mandate requirements if they offer MEC to 70 percent of full-time employees in 2015. If you qualify for this relief you should include code “B” in column (e) of this section.

Note: An employer can be eligible for only one of the transition relief options listed above.

In addition, there are other potential transition relief options in 2015 that will allow an employer to answer “yes” in column (a) even if the employer **does not** offer MEC to 95 percent of its full-time employees (and dependent children):

1. Relief is available to plans that currently do not offer coverage to dependent children but are working to add that coverage.
2. Relief is offered to non-calendar year plans that meet the specific requirements to delay compliance until the beginning of their 2015 plan year.

Note: It is not particularly clear in the model forms that there is any differentiation among how an employer indicates which transition relief they are eligible for, but all these options allow an employer to check “yes” in column (a).

In column (b), the employer records the number of full-time employees for each month, excluding any employees in a limited non-assessment period. If an employer indicates eligibility for the 98 percent offer method in Part II, the employer is not required to complete column (b).

In column (c), the employer records the total employee count, including full-time and part-time employees for each calendar month. An employer must keep a record the employee count as of the first day of the month or the last day of the month. The employer must use the same day of each month for the entire calendar year to establish the employee count. If the employee count is consistent for the entire year, employers can enter it on the “all 12 months” line.

By checking column (d), the employer indicates if they are a member of an IRS controlled group.

In column (e) the employer indicates if they are eligible for A or B transition relief as noted on line 22 of Part II.

Part IV

An employer is required to complete Part IV only if “yes” was checked on line 21. An employer that is part of a controlled group/affiliated service group is required to list up to 30 members of the IRS controlled group. If an organization has more than 30 members of an IRS controlled group, they must list the top 30 ALE members in descending order with the ALE member with the highest employee count listed on line 36. The member with the next highest employee count will be named on line 37 and so on.

Form 1095-C

The employer is required to complete a Form 1095-C for each full-time employee. In addition, self-funded employers may also need to issue a Form 1095-C for part-time employees who are covered by its self-funded plan.

Part I

In this section, an employer would complete all of the demographic information for the full-time employee. Employers are required to include the employee's Social Security number.

The employer fills in their information in the Applicable Large Employer Member section, including the EIN. The street address in this section needs to match the address on the Form 1094-C. The employer also has to include a telephone number for a contact person. The contact person should be the employee designated to receive questions from the government relating to this Form.

Part II

This section addresses the coverage the employee was offered. Remember, employees are not required to elect coverage. Employers simply need to **offer** full-time employees and their eligible children affordable, minimum value coverage to avoid penalties.

On line 14, the employer will enter a code in the "All 12 Months" box or for each month of the year. These codes are referred to as the Series 1 Codes. The codes that can be entered on line 14 are as follows:

1. **1A** – Qualifying offer. This is MEC, providing minimum value, which is offered to a full-time employee. The employee contribution for self-only coverage must be equal to or less than 9.5 percent of the FPL in the continental United States. The spouse and dependent children are also offered MEC.
2. **1B** – MEC providing minimum value offered to employee only.
3. **1C** - MEC providing minimum value offered to employee, and at least MEC offered to dependent children (not offered to spouse).
4. **1D** - MEC providing minimum value offered to employee, and at least MEC offered to spouse (not offered to dependent children).
5. **1E** - MEC providing minimum value offered to full-time employee, and at least MEC offered to spouse and dependent children.
6. **1F** – MEC **not** providing minimum value offered to employee; employee and spouse; or employee, spouse and dependent children.
7. **1G** – Offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in self-funded coverage for one or more months of the calendar year. 1G needs to be entered only in the "All 12 Months" box; do not complete the monthly boxes.
8. **1H** – No offer of coverage (i.e., the employee is not offered any health insurance coverage or is offered coverage that is **not** MEC).
9. **1I** – Qualified Offer Transition Relief 2015. Employee (and spouse or dependent children) received no offer of coverage, received an offer that is not a "qualified offer," or received a qualified offer for less than 12 months.

Line 15 only needs to be completed if an employer offered minimum value coverage and the employer entered code 1B, 1C, 1D or 1E on line 14 in the “All 12 Months” box or any of the month boxes. The employer enters the lowest monthly employee cost for single coverage for a plan option that provides minimum value coverage that is available to this employee. The cost should include dollars and cents. If the employee is not required to contribute to the cost, the employer should enter 0.00. If the employee cost-share was the same for all months of the calendar year, the employer can enter that data in the “All 12 Months” box. If it is not the same, then the employer must enter the cost for each month.

If the employer offers more than one plan option, the cost entered on line 15 may not be the cost of the plan the employee elected. It is instead the cost of the lowest-cost plan providing minimum value. If the employer does not offer health coverage, or offers MEC that is not of minimum value, do not complete line 15.

On line 16, the employer will enter a Series 2 Code for each month in which any of the applicable safe harbors apply. If the safe harbor applies for the entire calendar year, it can be entered in the “All 12 Months” box. The Series 2 Code includes any of the following:

1. **2A** – Employee is not employed during the month. You should enter this code if the employee was not employed on any day of the month. Do not use this code if the employee is employed at least one day of the month, or if the employee terminates employment.
2. **2B** – Employee is not a full-time employee. Use 2B if the employee is not a full-time employee for the month and did not enroll in MEC if offered for the month.
3. **2C** – Employee enrolled in coverage offered. Enter 2C for any month in which the employee is enrolled in health coverage offered by the employer. Use 2C regardless of whether any other Series Code 2 may apply if the **employee is enrolled in health coverage**.
4. **2D** – Employee is in a Section 4980H (b) limited non-assessment period (which is described earlier in this Reform Update). Make sure you enter 2D if a variable-hour employee is in the initial measurement period. **Do NOT use 2B for a variable hour employee in an initial measurement period** because the point of the initial measurement period is to determine whether the employee works full-time.
5. **2E** – Multiemployer interim rule relief. Employers should use this code when coverage is offered through a third party, such as a multiemployer or single employer Taft Hartley plan, a MEWA, or a staffing firm providing coverage on behalf of an employer. It is important to note that the employer is considered to have offered coverage to an employee if:
 - The employer is required by a collective bargaining agreement to make contributions on behalf of the employee.
 - The coverage is affordable and provides minimum value.
 - The employee’s dependent children are offered coverage.
6. **2F** – The employer used the Form W-2 safe harbor to determine affordability. If the employer uses this code, it must be used for all months of the calendar year in which the employee was offered coverage.
7. **2G** - The employer used the FPL safe harbor to determine affordability for this specific employee for any month of the calendar year.

8. **2H** - The employer used the rate of pay safe harbor to determine affordability for any month of the calendar year.
9. **2I** – Non-calendar year Transition relief applies to this employee for the specific month.

Part III

Employers complete Part III **ONLY** for employees covered by their self-funded health plan. Some employers have both insured and self-funded health plan options. Part III is only completed for those full-time and part-time employees that are covered under the self-funded option for any part of the calendar year. The employer needs to check the box for self-insured coverage and complete the details of this section (including the details specific to all individuals covered under the employee's contract).

Most of the columns in this section will need to be completed for the employee and any individuals covered in association with the employee:

- **Column (a)** – Enter the name of each individual covered under the self-funded plan for any month of the calendar year.
- **Column (b)** – Enter the nine-digit Social Security number for each covered individual (no dashes).
- **Column (c)** – Enter the date of birth of each covered individual in this column. However, this is not necessary if column (b) is populated. The date of birth should be entered as MM/DD/YYYY.
- **Column (d)** – Check this box if the individual was covered for at least one day per month for all 12 months of the calendar year.
- **Column (e)** – If any individual was not covered for all months of the calendar year; the employer needs to check the boxes for the months in which the individual was covered.

Due Dates and Delivery Requirements

The due dates are different depending on the form. Form 1095-C must be sent to an employee by January 31st of the year following the calendar year for which data is reported. For example, the 1095-C must be sent to employees by January 31, 2016 for the 2015 calendar year. This form can be sent via first class mail. It can be sent with the W-2.

Form 1095-C may also be sent electronically if the employer meets the IRS requirements for electronic distribution. The process for securing consent is the same process used for consent to receive the W-2 electronically. However, the employee must specifically consent to electronic disclosure of **the Form 1095-C**. An employee's consent to receive the W-2 electronically does not apply to the Form 1095-C.

The Form 1094-C must be sent electronically unless the employer files fewer than 250 Form 1095-Cs during the calendar year. If the form is sent electronically, it must be filed by March 31st of the year following the calendar for which data is reported. For example, the electronic form submission would be due by March 31, 2016 for the 2015 calendar year.

If the employer is allowed to transmit a paper form, it is due by February 28th of the year following the calendar year for which the data is reported. For example, the paper form must be filed by February 28, 2016 for the 2015 calendar year.

Remember that Form 1094-C is the “cover sheet” for submitting the Form 1095-Cs. All of the Form 1095-Cs created by the employer must be included in the Form 1094-C submission.

Penalties for Non-Compliance

The reporting requirements are fairly complex. Therefore, for 2015, the IRS will recognize good faith efforts to meet these requirements.

Two different sections of the Internal Revenue Code discuss the penalties for non-compliance with the Section 6056 reporting:

- Section 6721 discusses failing to send correct returns to the IRS. The basic penalty is \$100 for each incorrect return not to exceed \$1,500,000 in a calendar year.
- Section 6722 discusses failing to provide employee statements. The penalty is the same as above, but applies to an employer’s failure to provide individual statements.

Employers should make their best effort toward satisfying these reporting requirements, in order to avoid penalties.

Concluding Thoughts

The reporting requirements are complicated. Not all aspects are particularly clear. For example, the technical information needed to electronically populate these forms has not yet been released. It will be addressed in Publication 5165, which is currently under development. Publication 5165 will be called the ACA Information Returns (AIR) Guide for Software Developers and Transmitters.

Self-funded plans also need clarification on how to report COBRA qualified beneficiaries and retirees. Should the employer report these participants using Form 1095 B Form or Form 1095-C? It is simply not clear based upon current instructions. Hopefully, the IRS will allow self-funded employers to use Form 1095-C, to make the reporting a bit easier.

These are the steps an employer can take now to prepare for future reporting:

1. Make sure to establish a method to determine the full-time status of employees. Have a system to track employees, because you will have to report full-time and part-time headcounts by month for Form 1094-C. (The only exception is if your organization qualifies for the 98% Offer Method.)
2. Employers will need to identify when a full-time or variable-hour employee is in a limited non-assessment period.
3. Employers need to start thinking about how this reporting will work for the organization and its benefit plans. Employers should review and become familiar with the forms that must be completed. This includes the code options for various sections of both Forms 1094 and 1095. Employers should highlight all of the different codes that may apply to its organization and identify the different segments of employees that will fit different codes. For example, let’s say your organization offers affordable (based on the FPL), minimum value coverage to all full-time employees, spouses and dependent children note that Code 1A on line 14 of Form 1095-C would be reported. In addition, some employers will have employees that are covered by a union trust plan. Code 2D would indicate transition relief for these employees covered by multi-employer plans.

4. Self-funded employers will report the details by month of individuals covered under the plan on Part III of Form 1095-C.
5. Employers must decide how they will submit Form 1094-C, electronically or on paper. Most organizations will be required to report electronically. Employers also need to decide how they will deliver the Form 1095-C to their employees. If you want to send this form electronically, you will need to build the process to secure prior consent from employees.

Expect the IRS to continue clarifying reporting issues throughout 2015. If employers are concerned about your organization's ability to provide the reporting, look for vendors that may offer this service. An employer's HRIS vendor or enrollment vendor may be able to provide the reporting for a fee. This may be the best option, if the fee is reasonable.

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