

# Affordable Care Act Employer Reporting Overview ~ Self-Insured Employers ~

With the Affordable Care Act (ACA), new employer reporting requirements for health plan information and participant coverage-related data are taking effect for calendar year 2015. Under section 6056, applicable large employers are required to provide an annual statement to each full-time employee detailing the employer's health coverage offer. Under section 6055, employers (of all sizes) that provide minimum essential coverage under a self-insured plan are required to provide an annual statement, which includes information about covered dependents, to employees and former employees who were enrolled in the plan.

## What are the new forms?

The new ACA reporting forms for employers include:

- Form 1095-C - Employer-Provided Health Insurance Offer and Coverage
- Form 1094-C - Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns
- Form 1095-B - Health Coverage
- Form 1094-B - Transmittal of Health Coverage Information Returns

The 1095-C form includes information about the health insurance coverage offered to the employees by the employer, and is used by applicable large employers who are fully-insured or self-insured (different parts of the form are completed depending on whether the employer is fully-insured or self-insured). A 1095-C is issued to each applicable employee, and copies of the 1095-C forms are submitted to the Internal Revenue Service, along with the transmittal 1094-C form. The 1095-B form includes information for employees and dependents who had minimum essential coverage for some or all months during the year, and is typically used by small employers who are self-insured. A 1095-B is issued to each applicable employee, and copies of the 1095-B forms are submitted to the Internal Revenue Service, along with the transmittal 1094-B form. Refer to the diagrams below for summarized information on the ACA forms and to determine which forms are to be issued to the employees and submitted to the Internal Revenue Service for your organization.

### Summary of Forms

**1094 Forms** - Transmittal reports submitted to IRS  
**1095 Forms** - Detail reports provided to employees (and copies submitted to IRS)  
**B Forms** - Reports if minimum essential coverage  
**C Forms** - Reports offers of health coverage and enrollment in health coverage

<b>Forms to File</b>		
	<b>Self-Insured</b>	
	<b>&lt; 50 FTEs</b>	<b>&gt; 50 FTEs</b>
Forms to employees	1095-B	1095-C (All Parts)
Forms to IRS	1094-B (plus 1095-B copies)	1094-C (plus 1095-C copies)

## What can I do now to prepare?

To start preparing now for the new ACA reporting requirements, complete the following:

- 1. Determine if your organization is an applicable large employer.** An applicable large employer is defined within the ACA guidelines as an employer that has at least 50 full-time employees, including full-time equivalent employees, on average during the prior calendar year (i.e. 2014). To determine if an organization is considered an applicable large employer, the number of full-time employees and the number of full-time equivalent employees for each month in the prior year are added together and divided by 12. Full-time employees are those with an average of 30 or more hours of service per week during the month or 130 or more hours of service during the month. Full-time equivalent employees are calculated by combining the number of hours of service of all non-full-time employees for the month (up to 120 hours of service per employee) and then dividing the total by 120. For additional details on determining applicable large employer status, go to: <http://www.irs.gov/Affordable-Care-Act/Employers/Determining-if-an-Employer-is-an-Applicable-Large-Employer>. **Tip: A new Large Employer Calculation option is available in the School Accounting System to assist in determining if your organization is a large employer; however, the option can only be utilized if the hours worked have been tracked for all employees for the prior calendar year.**
- 2. Determine what forms your organization must generate at the end of the calendar year.** If needed, refer to the “Forms to File” chart on the first page of this handout to establish which forms to use.
- 3. Implement the Affordable Care Act (ACA) Hours Tracking option within the Payroll module if it is not yet set up.** The Affordable Care Act (ACA) Hours Tracking option must be set up in order to: 1) utilize the Large Employer Calculation option to determine if your organization is a large employer, 2) to determine which employees are full-time and need to be included on the 1095 and 1094 forms, and 3) to determine which employees must be offered health coverage for the next plan year. Refer to the Affordable Care Act (ACA) Hours Tracking Completion Checklist topic in the Help File for step-by-step instructions. **Tip: When completing Step 2 on the checklist for setting up the option, be sure to track hours worked for all employees for all months in 2014 to present.**
- 4. Contact your third-party administrator (or administrators if more than one had been used during the year) and inquire if they will be able to provide you with a file containing the necessary information of covered individuals at the end of the calendar year.** To access the import specifications for the covered individuals, go to: <http://www.su-inc.com/templates/pr/ImportingACA1095sCoveredIndividuals.xlsx>
- 5. Do not purchase pre-printed 1095-C, 1094-C, 1095-B, or 1094-B forms with the image (boxes) already printed on them.** The School Accounting System will print the image (boxes) automatically; refer to the “How and when to issue forms to employees?” section of this handout for more information.

## When will the School Accounting System update be available?

The 15.11.10.01 version of the School Accounting System was released the first part of November and included changes in order to generate and print the 1095 and 1094 forms. The changes included were:

- Affordable Care Act (ACA) Reporting Setup option - accessed under the Maintenance menu in Payroll to define if your organization is a large or small employer, fully- or self-insured, and an aggregated group member.
- ACA 1095s tab in the Employee File - to enter the data to report on the 1095 forms for each applicable employee (for example, the data for Lines 14, 15, and 16 on the 1095-C forms, and/or the covered individuals included on Part III on the 1095-C forms (for large employers) or on Part IV on the 1095-B forms (for small employers)). Refer to the “What information is on the forms?” section of this handout for details on the information reported on the 1095 forms.
- Adjust ACA Employee Offer of Coverage option - located under the Options menu within the Employee File to complete the fields for Lines 14, 15, and 16 on the new ACA 1095s tab for a group of employees.
- Import ACA 1095s Covered Individuals option - located under the Options menu within the Employee File to import the covered individuals into the new ACA 1095s tab.

- Affordable Care Act (ACA) B Forms - accessed under the Government Reporting menu in Payroll to print, email, and submit the 1095-B and 1094-B forms.
- Affordable Care Act (ACA) C Forms - accessed under the Government Reporting menu in Payroll to print, email, and submit the 1095-C and 1094-C forms.
- Affordable Care Act (ACA) Reporting option under the Government Reporting menu in Payroll renamed to be Affordable Care Act (ACA) Hours Tracking.
- Large Employer Calculation feature - to assist in determining if your organization is a large employer. The new Large Employer Calculation option can only be utilized if the hours worked have been tracked for all employees for the prior year.
- ACA tab in Employee File renamed to ACA Hours tab.
- Adjust Affordable Care Act Data option under the Options menu within the Employee File renamed to be Adjust Affordable Care Act Hours Data.

### What information is on the forms?

To see the forms, along with the information included on each, and the detailed instructions for completing the forms, access the following websites:

- Form 1095-C - <http://www.irs.gov/pub/irs-pdf/f1095c.pdf>
- Form 1094-C - <http://www.irs.gov/pub/irs-pdf/f1094c.pdf>
- Instructions for Forms 1094-C and 1095-C - <http://www.irs.gov/pub/irs-pdf/i109495c.pdf>
- Form 1095-B - <http://www.irs.gov/pub/irs-pdf/f1095b.pdf>
- Form 1094-B - <http://www.irs.gov/pub/irs-pdf/f1094b.pdf>
- Instructions for Forms 1094-B and 1095-B - <http://www.irs.gov/pub/irs-pdf/i109495b.pdf>

When generating the forms in the School Accounting System, the basic employer and employee information for name, address, and federal ID (social security number) will be populated from the data already entered in the Payroll module. The information in Part II on the 1095-C forms for the offer and coverage will need to be entered for each applicable employee within the Employee File. (**Tip: An adjustment option is available to complete these fields of information for a group of employees.**) The information for covered individuals included on Part III on the 1095-C forms (for large employers) or on Part IV on the 1095-B forms (for small employers) can be imported into the School Accounting System using a file containing the necessary data obtained from your third-party administrator. According to the Internal Revenue Service, the estimated average times to complete the forms are: 12 minutes for 1095-C form (per employee), 4 hours for 1094-C form, 10 minutes for 1095-B form (per employee), and 1 minute for 1094-B form.

### Which employees to include on forms?

Depending on the specific forms being generated, different groups of employees will be included. For self-insured large employers, issue a 1095-C form with all parts completed (and include on 1094-C form) for each employee who was a full-time employee during any month in the year (regardless if enrolled in the health coverage or not, and based on the measurement period(s) prior to the current year's stability period(s)), and also all part-time and no-time (i.e. retired or COBRA) employees enrolled in the health coverage. For self-insured small employers, issue a 1095-B form (and include on 1094-B form) for each employee enrolled in the health coverage, including full-time, part-time, and no-time (i.e. retired or COBRA) employees. Refer to the diagram below to determine which employees are to be included on the specific forms for your organization.

<b>Employees Included on Forms</b>			
<b>Type</b>	<b>Employer Size</b>	<b>Forms</b>	<b>Employees</b>
Self-insured	> 50 FTEs	1095-C (All Parts) 1094-C	All full-time employees, whether or not enrolled in health coverage, and also all part-time and no-time employees enrolled in health coverage
Self-insured	< 50 FTEs	1095-B 1094-B	All full-time, part-time, and no-time employees enrolled in health coverage

## **How and when to issue forms to employees?**

Like W2s, the ACA forms must be furnished to the recipients on paper, unless the recipient consents to receive the statement electronically. The consent for an electronic statement may be done via paper or electronically; however, if the consent is on paper, the recipient must confirm the consent electronically using the same delivery method as the electronic statement. The applicable statements must be furnished to the recipients by January 31 of the year following the calendar year of coverage.

Within the School Accounting System, the 1095-C and 1095-B forms can be printed either landscape or portrait using one of two plain paper options. The first option is to use plain copy paper to print the forms and instructions for recipients. The second option is to purchase plain paper which includes the pre-printed instructions for recipients on the back (for those who purchase W2s/1099s from Jaymar Business Forms, these are available to order as well). The 1095-C forms also have a third option available for those organization who have pressure seal equipment; the 1095-C forms can be printed using plain pressure seal paper. The 1094-C and 1094-B forms can be printed on plain copy paper. **Do not purchase pre-printed forms with the image (boxes) already printed on them as the School Accounting System will print the image automatically.** The 1095-C and 1095-B forms can also be emailed to the employees from within the School Accounting System, and if applicable, accessed through the Web Link module.

## **How and when to issue reports to IRS?**

The ACA information returns must be submitted to the Internal Revenue Service electronically via the internet if filing 250 or more (of the same form) for the calendar year; however, the Internal Revenue Service recommends that everyone file electronically to avoid scanning problems.

To comply with the requirements and recommendation set by the Internal Revenue Service, the School Accounting System will have a direct connection to the Internal Revenue Service's ACA Information Return (AIR) application in order to submit the files. With the application to application connection included in the School Accounting System, the process to file electronically is very simple and secure, and does not require any pre-authorization or approval process; thus, all School Accounting System users will file the ACA information returns electronically. Submitting electronically via the Internet must be completed by the last day of March.