ACA Reporting Requirements Webinar

November 15, 2016
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Agenda

- Overview
- Form review
- Key form information
- Reporting Penalties
- Corrections
- ftwilliam.com support
Overview

- ACA established procedures to ensure employees have access to minimum essential coverage (MEC)
  - Of minimum value (MV)
  - Or employer may be subject to employer shared responsibility payment (pay or play provisions)
  - And employee may be eligible for a premium tax credit toward Marketplace insurance

- Conversely, if employee had access to MEC of a MV and did not take advantage of coverage, they may be subject to an individual shared responsibility payment

- 1094/5 B and C Series forms helps the IRS enforce these penalty and premium situations
Form Overview

Which forms to use?

- Am I an ALE?
  - Yes
    - Is my health plan insured with an insurance company or carrier or is it self-insured?
      - Self Insured
        - As an ALE, the coverage and offer information can be combined into the C Series forms
      - Insured by a carrier
        - As an ALE, the offer information needs to be completed on the C Series forms and the insurer will file the coverage information on the B Series Forms. Employees will receive both a 1095-B and C
  - No
    - Use the B Series Forms
Forms Overview

■ Form Exceptions
  – Even if C-Series form filer, B series forms can be used to report
    ■ Non-full time employees
    ■ Non-employee insured (retirees, directors)

■ Fully insured ALE employees will get two forms
  – 1095-C containing offer information
  – 1095-B containing coverage information
  – Self insured ALEs can report all information on the 1095-C

■ Line-by-line form review
Key Form Information

- **Who must file electronically**
  - Employer with more than 250 returns
    - Each type of form is counted separately
    - Employer can apply for a hardship waiver from electronic filing
      - IRS Form 8508-Request for Waiver From Filing Information Returns Electronically
      - Due at least 45 days before electronic filing due date

- **Due Dates for filing forms to the IRS**
  - Paper filing-2/28
  - Electronic-3/31
    - If the due dates fall on a weekend or legal holiday, filing due date is the next business day
  - Filing extension
    - IRS Form 8809-Application for Extension of Time to File Information Returns
Key Form Information

- **Due Dates for furnishing forms to employees**
  - 1/31 (just like W-2’s and 1099’s)
  - If the due dates fall on a weekend or legal holiday, filing due date is the next business day
  - Filing extension
    - Employer can request an extension of time to furnish forms or statements to the Employees by sending a letter to the IRS (format and address information is in the instructions and is the same for each series of forms)

- **What has to be provided to the employees?**
  - 1095-B or C or both as applicable
  - Alternative: Qualifying Offer Method
    - If the employer meets the requirements under the Qualifying Offer Method, they do not need to provide the 1095-C form to the employees
    - Instead, the employer may provide a simplified statement to the employees
Key Form Information

- How must the forms be provided to employees?
  - First class mail or hand delivery
    - Electronic delivery is available
      - But employee must affirmatively consent to receive that specific statement/form electronically
      - Consent can be provided physically (paper) or electronically
        - If consent is provided physically, the employee must also confirm the consent electronically (essentially a two step process)
  - Electronic delivery options
    - Email
    - Access through employer’s website
Reporting Penalties

- Penalties are the same between each form series
  - Failure to file the return with the IRS—$260 (increase from $250) for each return with a $3,193,000 cap for each calendar year
  - Failure to provide the correct payee statement—$260 for each return with a $3,193,000 cap for each calendar year

- IRS has latitude to increase the per-statement and penalty caps if there is “intentional disregard” in furnishing statements to the employees

- IRS has the latitude to grant penalty relief per reasonable cause standards
Corrections

- If forms are incorrect, they need to be corrected and corrected versions provided to the IRS and the employee.
- Failing to provide employee a corrected statement can incur an incorrect statement penalty.
- If an alternative statement was used and a correction is made, if the alternative statement was affected, a new one must be provided.
ftwilliam.com support

- Form completion and fulfillment support
- Support tool overview
- The ACA Assist package
  - includes:
    - One hour of training customized per customer
    - Pre-submission file review by our support team - to ensure headers are correct and we will review .csv file at high level to identify submission issues before upload
    - Post submission upload review of files by our support team - support team will review IRS submission errors from upload files and will offer specific areas to correct or suggestions on resolution.
    - Ability to schedule upload assistance to review errors and resolve issues with ftwilliam.com via scheduled conference call/web meeting - A conference call can be scheduled with our support team to walk through errors.
    - NOTE: the ACA Assist package does not offer regulatory assistance such as what code to use on what line of the form, etc.
    - Price: $395 per year per block of 10,000 forms

- IRS Resource-866-937-4130, option 2
THANK YOU FOR ATTENDING!

For more information on ftwilliam.com’s IRS Forms 1094/1095 software, please visit ftwilliam.com, call 800-596-0714 or email support@ftwilliam.com.