

THE LOCAL CHOICE E-NEWS

Department of State and Local Health Benefits Programs

January 12, 2016

IRS Announces Employer Affordable Care Act (ACA) Reporting Relief

ACA legislation requires self-funded employers to offer health insurance for qualifying full-time equivalent employees, provide proof of coverage for employees to include with their individual tax returns, and report this information to the Internal Revenue Service (IRS). In late December 2015, the IRS announced important employer reporting relief and an extension of the reporting deadlines.

- Employers that make a good faith effort to comply with Code sections 6055 and 6056 will not incur any penalties for incomplete or incorrect returns provided in 2016 for coverage offered or not offered in calendar year 2015. This relief does not apply to an employer that cannot show a good faith effort to comply or that fails to timely file without reasonable cause. As you know, the Department of Human Resource Management (DHRM) is preparing to file these reports for TLC groups who signed and returned a Reporting Agreement for each Federal Employer Identification Number (FEIN) no later than January 6, 2016. Please note that, although DHRM will file the report on your behalf, DHRM is not responsible for ensuring that you have complied with the ACA. Any questions that you have regarding ACA requirements should be directed to the IRS or your legal counsel.
- The original deadline of January 31, 2016 for the 1095-C ACA form that proves an employer has offered coverage to an eligible employee or that an employee is covered under the employer's self-insured plan has been extended to March 31, 2016. As a result, DHRM will delay the mailing of these forms to health plan participants until March 1, 2016. For many, this new date will be too late for the filing of their individual 2015 income tax returns. According to the IRS, while the information on this form may assist in preparing a return, it is not required. Individual taxpayers will generally not be affected by this extension and should file their returns as they normally would. For more details, visit the [IRS website](https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-about-Health-Care-Information-Forms-for-Individuals). (<https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-about-Health-Care-Information-Forms-for-Individuals>)

Adjustments to Updated BES ACA Reconciliation Report Due No Later Than January 25

To help you review and reconcile your group's ACA data in BES, DHRM has made available in the HuRMan Repository an updated BES ACA Reconciliation Report, dated 01/12/16. This update includes most of the adjustments submitted following the 12/07/2015 report and a new column that has calculated the 2015 total value of healthcare based on the participant's enrollment. The final reconciliation report

for 2015 that includes dependents will be available before the mailing of the 1095 forms to participants. Adjustments required after the final reconciliation report will be handled with a corrected 1095 form.

Please refer to the instructions, sample reports, and correction forms attached to the [E-News dated December 7, 2015](#). Adjustments to the 01/12/16 report must be received by DHRM no later than January 25, 2016.

Important things to remember as you reconcile your data and submit corrections:

- Make sure each participant listed reflects an accurate record of coverage for 2015. Submit a Correction Form for inaccurate records. Keep in mind that this report is a record of coverage offered by your group. The group is defined by the subdivision code and FEIN. Participants with a hyphen (-) or an asterisk (*) indicate not eligible and no offer of coverage by your group. Eligible participants offered coverage are either Enrolled (E) or Waived (W). If you have a question about a correction, please contact DHRM before you submit the form.
- Submit Addition Forms for employees eligible for health coverage under your group but not listed on the report. If you offer coverage to part-time employees, submit forms for them just as you do for full-time employees. If you do not offer coverage to part-time employees (those who work less than the IRS ACA definition of a full-time equivalent), do not submit forms for them.
- Beginning now, collect and submit an Enrollment Form marked "Waive" for eligible employees who choose not to enroll in your group's offer of coverage just like you do for those who choose to enroll or change coverage. This includes employees who have coverage under another group or who are covered as a spouse by your group. This will eliminate the need for an Addition Form for ACA reporting for 2016. Be sure to include the group number and effective date in Part 5. The group number should include the subdivision code and the effective date is the date the employee is eligible for coverage.

Your questions regarding the BES ACA Reconciliation Report and revised mailing date for 1095 forms may be emailed to the TLC program at tlc@dhrm.virginia.gov. Any questions you have regarding ACA requirements should be directed to the IRS or your legal counsel.