



Commonwealth Benefits Group

2 Barlo Circle

Suite C

Dillsburg, Pennsylvania 17019

(717) 432-1010

<http://www.commonwealthbenefitsgroup.com>

HEALTHCARE REFORM UPDATE 2015-21



WHAT EMPLOYERS NEED TO KNOW RIGHT NOW ABOUT HEALTH CARE REFORM

Affordable Care Act Information Returns

Under the Patient Protection and Affordable Care Act (ACA), individuals are required to have health insurance while applicable large employers (ALEs) are required to offer health benefits to their full-time employees. In order for the Internal Revenue Service (IRS) to verify that (1) individuals have the required minimum essential coverage, (2) individuals who request premium tax credits are entitled to them, and (3) ALEs are meeting their shared responsibility (play or pay) obligations, employers with 50 or more full-time or full-time equivalent employees and insurers will be required to report on the health coverage they offer. (If ALEs are not offering coverage, they will have to report on that, too).

Reporting will first be due early in 2016, based on coverage in 2015. All reporting will be for the calendar year, even for non-calendar year plans. Mid-size employers (those with 50 to 99 employees) will report in 2016, despite being in a period of transition relief in regard to having to offer coverage. The reporting requirements are in Sections 6055 and 6056 of the ACA. Sections 6055 and 6056 reporting is done on IRS Forms 1094-C, 1095-C, 1094-B, and 1095-B.

For calendar year 2015, the required forms must be filed by February 29, 2016, or March 31, 2016, if filing electronically. Employers with 250 or more 1095 Forms must file electronically with the "Affordable Care Act Information Returns" or AIR. The IRS is encouraging all entities to file electronically. Employers utilizing a vendor service should confirm that the service they are using can handle the act of reporting, electronic or otherwise. Employers using a vendor should confirm that their chosen vendor is set up to file the returns for them, and have or will have successfully completed the testing phase. Employers who wish to use a vendor instead of filing themselves should be aware that many of the reporting vendors have a capped amount of clients they can assist.

Employers who are doing their own electronic filing should ensure they are ready to use the AIR system. Being ready to use the system is a time-consuming process; ample time should be given to ensure an employer is up and running.

The following steps have been identified for employers to use AIR. Employers who will transmit their own Forms are "issuers" and a "software developer" is an organization that writes either origination or transmission software according to the IRS specifications.

1. Sign up for [IRS Quick Alerts](#) for timely AIR information.
2. Identify Responsible Officials and Contacts. The IRS encourages more than one Responsible Official. The Responsible Official is the first point of contact with the IRS and has the authority to sign original or revised ACA Information Return Application for TCC Credentials, and is the party responsible for adhering to all government requirements. The Contact is someone who is available on a daily basis to assist the IRS with inquiries.
3. Register with the IRS. Responsible Officials and Contacts must register through the [e-Services Registration](#) to obtain login credentials, a PIN and authentication (which requires personal and taxpayer data). The IRS will then send a confirmation code via the U.S. Postal Service to each registrant. Individuals have 28 days to log in and activate their account.
4. Submit application for Transmitter Control Code (TCC). Each employer needs a TCC, the application for which must be signed by at least one Responsible Official. The applicant must identify the roles for which the company is applying, such as "issuer" or "software developer." An employer can be both, and in that case there will be more than one TCC. The application requires the transmission method or methods the issuer or software packages will support. Companies developing software solely for their use should select "In-House Package." TCCs are sent via the U.S. Postal Service.
5. Testing. The ACA Assurance Testing System allows employers to do a test run of reporting with the 2014 forms to ensure their software is correctly filling out the IRS forms. The system is expected to open up in fall of 2015 for the 2015 reporting forms, and the system is now operational for 2014 testing.

Resources:

[Affordable Care Act Information Returns \(AIR\) Program Overview](#) (Webinars)

[Affordable Care Act Information Returns \(AIR\) Program](#)

[Affordable Care Act Information Returns Schemas and Business Rules](#)

[Guide for Electronically Filing Affordable Care Act \(ACA\) Information Returns for Software Developers and Transmitters](#) (Publication 5165)

[Test Package for Electronic Filers of Affordable Care Act \(ACA\) Information Returns \(AIR\)](#) (Publication 5164)

[Affordable Care Act Information Returns \(AIR\) Program - Did You Know?](#)

[AIR Submission Composition and Reference Guide](#)

9/1/2015

Our access to PPACA Advisor resources can help you clear up PPACA questions and better craft your company's benefit strategy for the future.

This information is general and is provided for educational purposes only. It reflects UBA's understanding of the available guidance as of the date shown and is subject to change. It is not intended to provide legal advice. You should not act on this information without consulting legal counsel or other knowledgeable advisors.

