



Maine Municipal Employees Health Trust

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To: Health Trust Participating Employers
From: Anne Wright, Director, MMEHT
Date: December 29, 2015
Re: Affordable Care Act (ACA) Reporting Requirements – Deadline Extension

Good morning.

Yesterday afternoon, the IRS issued Notice 2016-4, Extension of the Due Dates for 2015 Information Reporting Under I.R.C. ss. 6055 and 6056. This Notice is bound to bring a sigh of relief from many employers that have been struggling to pull together all of the necessary information to complete the new IRS Forms 1095-C in time to provide them to all full-time employees by January 31.

But first, a brief recap.

Applicable Large Employers

The Affordable Care Act (ACA) requires all **Applicable Large Employers** (that is, all employers with 50 or more full-time plus full-time equivalent (FTE) employees) to provide a **Form 1095-C** ("Employer-Provided Health Insurance Offer and Coverage") to all full-time employees (i.e., those employees who worked at least 30 hours per week/130 hours per month during 2015). These forms were supposed to be provided to employees by no later than February 1, 2016 (and annually thereafter, by January 31 of each year). Form 1095-C requires large employers to report on whether or not they had offered health insurance coverage to each and every one of their full-time (as defined by the ACA) employees, regardless of whether or not the employee actually enrolled in the coverage. In addition, Form 1095-C requires large employers to provide month by month reporting on whether or not the coverage offered met the ACA's definition of "affordable" – i.e., whether or not the employee's contribution for self-only coverage for the lowest cost plan offered by the employer, in which the employee was eligible to enroll, exceeded 9.5% of the employee's income (using one of three available "safe harbors").

Not only are large employers required to provide this information to their full-time employees, they are also required to file this same information with the IRS, by sending to the IRS copies of all the Forms 1095-C, along with a **Form 1094-C** ("Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns"). This filing with the IRS was scheduled to be completed by all large employers by no later than February 29 if filing via paper forms, or March 31 if filing electronically. Under IRS guidelines, all employers with 250 or more W-2 employees are required to file electronically; smaller employers (i.e., those with 50 or more full-time plus FTE employees but fewer than 250 W-2 employees) have their choice of filing via paper or electronically.

Plan Sponsors and Insurers

The ACA also requires all **plan sponsors** and **insurers** to report on health care coverage, for all individuals covered under a health plan during the previous year. So, in 2016, all insurers (for fully-insured health plans) and plan sponsors (for self-insured health plans) will have to report to each policyholder, and to the IRS, outlining which months the policyholder and any covered dependents had coverage during the previous year. This information will be provided to all policyholders via the **Form 1095-B**; and to the IRS via **Form 1094-B**, along with copies of all of the Forms 1095-B.

As plan sponsor of the MMEHT health plans, the **Health Trust** will provide a **Form 1095-B** to each policyholder covered under a Health Trust health plan during 2015, and will also provide that information to the IRS.

What Are the New Deadlines?

IRS Notice 2016-4 extends the deadline for providing these forms to employees, and to the IRS. The deadline for providing Forms 1095-B (Health Trust) and 1095-C (Applicable Large Employers) to employees/policyholders has been extended from February 1, 2016, to **March 31, 2016**. The deadline for filing the Forms 1095-B and 1094-B (Health Trust) and 1095-C and 1094-B (Applicable Large Employers) with the IRS has been extended from February 29, 2016, to **May 31, 2016** if filing via paper forms; and from March 31, 2016, to **June 30, 2016**, if filing electronically.

The IRS took care to say that they are “prepared to accept filings of the information returns.... beginning in January 2016”. But if you were one of the “employers, insurers, and other providers of minimum essential coverage [that] need additional time to adapt and implement systems and procedures to gather, analyze, and report this information” referred to in Notice 2016-4, this extension should come as welcome news. And of course, we are happy, because this gives us additional time to send out ACA updates over the next few months!

Where Are the Forms?

Health Trust participating employers that meet the IRS definition of an **Applicable Large Employer** will be required to provide a **Form 1095-C** to each full-time employee, as well as providing that information to the IRS. You can find Forms 1095-C and 1094-C on the IRS website, at <https://www.irs.gov/pub/irs-pdf/f1095c.pdf> and <https://www.irs.gov/pub/irs-pdf/f1094c.pdf>, respectively. These are fillable forms, so you can fill them out and save them on your system for individual employees. Instructions are also on the IRS website, at <https://www.irs.gov/pub/irs-pdf/f109495c.pdf>.

If you are looking for something to read on this cold snowy day, you can also find IRS Notice 2016-4 online at <https://www.irs.gov/pub/irs-drop/n-16-4.pdf>.

Have a very Happy New Year!

Please note that the Maine Municipal Association and the Maine Municipal Employees Health Trust are sharing this information to assist you with your compliance planning. We recommend that you contact your legal counsel with specific questions relating to this law.