



Maine Municipal Employees Health Trust

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To: Health Trust Participating Employers
From: Anne Wright, Director, MMEHT
Date: December 29, 2017
Re: Affordable Care Act (ACA) Reporting Requirements – Deadline Extension

Good afternoon!

Last Friday, the IRS issued Notice 2018-06, *Extension of the Due Dates for Furnishing Statements and of Good Faith Transition Relief under I.R.C. Sections 6721 and 6722 for Reporting Required by I.R.C. Sections 6055 and 6056 for 2017*. Personally, I think that this one should win the all-time award for longest title of any IRS Notice. But what does it all mean?

Well, some may see it as a little Christmas present from the IRS. Notice 2018-06 provides Applicable Large Employers with a **30-day extension for providing the 2017 Forms 1095-C** to their full-time employees. It also provides insurers (and plan sponsors like the Health Trust) with the same **30-day extension for providing Forms 1095-B** to those who were covered under a health plan in 2017. This means that the Health Trust will have until March 2, 2018 to send out the Forms 1095-B, and Applicable Large Employers will have until March 2, 2018 to send out the Forms 1095-C.

Since it's been many months since we have had to think about these forms, I thought it might be helpful to provide a brief recap of what they are all about.

Form 1095-C: 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 the previous calendar year).

Form 1095-C requires large employers to report on whether or not they **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**, which is determined based on 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.

The Forms 1095-C are supposed to be provided to employees each year by no later than **January 31**. This means that forms covering the 2017 calendar year were scheduled to be provided to employees by January 31, 2018. The 30-day extension has moved that deadline to **March 2, 2018**.

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”).

The deadline for filing the Form 1094-C with the IRS, along with copies of all Forms 1095-C, has not been affected by the 30-day extension for providing forms to employees. Applicable Large Employers are required to file with the IRS by **February 28, 2018**, if not filing electronically, or **April 2, 2018**, 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.

Form 1095-B: 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. This means that 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 once again provide a **Form 1095-B** to each policyholder covered under a Health Trust health plan during 2017, and will also provide that information to the IRS. Forms 1095-B will be mailed to policyholders (covered employees) on or before **March 2, 2018**.

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 then save them on your system for individual employees. Instructions are also on the IRS website, at <https://www.irs.gov/pub/irs-pdf/i109495c.pdf>.

If you are looking for something to read over the long weekend, you can also find IRS Notice 2018-06 online at <https://www.irs.gov/pub/irs-drop/n-18-06.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.