



Maine Municipal Employees Health Trust

60 COMMUNITY DRIVE, AUGUSTA, MAINE 04330-9486

(207) 621-2645 www.mmeht.org

To: Health Trust Participating Employers
From: Anne Wright, Director, MMEHT
Date: December 11, 2020
Re: Affordable Care Act (ACA) 1095-C Reporting Requirements – Large Employers

Good afternoon!

Despite Executive Orders and legal challenges over the past several years, the Affordable Care Act (ACA) remains the law of the land. On November 10, 2020, the Supreme Court heard yet another challenge to the law (California v. Texas), which addressed (among other questions) whether reducing the amount of the penalty for those individuals who did not purchase health insurance coverage to zero rendered the law's minimum coverage provision unconstitutional and, if so, whether the entire law should be struck down. The Court is expected to rule on the case by June of 2021; until then, the ACA remains in place.

This includes reporting requirements for certain large employers, as defined by the law. Under the ACA, **Applicable Large Employers** (those employers with 50 or more full-time plus full-time equivalent employees) must provide all of their **full-time employees** (those employees who worked at least 30 hours per week/130 hours per month during the previous calendar year) with a **Form 1095-C** each year.

Form 1095-C requires these 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.

Deadline Extension

According to the ACA, 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 2020 calendar year should be provided to employees by January 31, 2021. However, just like last year (and the year before that, and the year before that...), the IRS has decided to once again provide a little extra time to employers that are required by the ACA to provide IRS Form 1095-C to their employees.

IRS Notice 2020-76 provides Applicable Large Employers with a **30 day extension for providing the 2020 Forms 1095-C** to their full-time employees. Under the terms of this extension, Applicable Large Employers will have until **March 2, 2021** to furnish Forms 1095-C to their full-time (as defined by the ACA) employees.

But – No Extension for Filing with the IRS

Remember, not only are Applicable Large Employers required to provide Forms 1095-C to their full-time employees, providing employees with information on whether affordable health insurance coverage was

offered during 2020, Applicable Large Employers must also 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**.

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 extension for providing forms to employees. Applicable Large Employers are required to file their Forms 1095-C and 1094-C with the IRS by **February 28, 2021**, if filing via paper forms, or **March 31, 2021**, 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 (including the Health Trust)

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 who was covered under a Health Trust health plan during 2020, and will also provide that information to the IRS. Forms 1095-B will be mailed to policyholders (covered employees) on or before **March 2, 2021**.

Are the Forms Available On-Line?

Remember: 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.

The 2020 Form 1095-C is on the IRS website at <https://www.irs.gov/pub/irs-pdf/f1095c.pdf>. The 2020 Form 1094-C is at <https://www.irs.gov/pub/irs-pdf/f1094c.pdf>. Instructions for both forms are also on the IRS website, at <https://www.irs.gov/instructions/i109495c>.

You can also find IRS Notice 2020-76 online, at <https://www.irs.gov/pub/irs-drop/n-20-76.pdf>.

Although we won't be able to hold in-person ACA workshops this year, we plan to hold at least one webinar in January, via zoom. Schedules will be announced later this month.

Have a great weekend!

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.