



Maine Municipal Employees Health Trust

ACA Reporting Requirements – Update for Large Employers (12/28/2021)

On December 9, 2021, the IRS [published the final ACA reporting instructions for the 2021 tax year](#), including the final [1094-C](#) and [1095-C](#) forms.

This includes reporting requirements for certain large employers, as defined by the law. Under the Affordable Care Act, 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. Applicable Large Employers (ALEs) 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.

Furnishing deadline extended

The final instructions from the IRS confirm that Applicable Large Employers will have until **March 2, 2022**, to furnish their ACA full-time employees the 1095-C forms. As a reminder, the automatic extension does not apply to the deadlines for filing the forms to the IRS.

Upcoming ACA Deadlines to mark on your calendar:

February 28, 2022: Paper filing deadline to the IRS. This only applies to ALEs with 250 or less 1095-C returns. If you have over 250 1095-C returns, you must file electronically.

March 2, 2022: New annual deadline for providing 1095-C forms to ACA full-time employees. This used to be due January 31, but a new IRS rule provides employers with an automatic 30-day extension.

March 31, 2022: File the 1094-C and 1095-C information electronically to the IRS.

Changes to the 1095-C Form

The only change to Form 1095-C for tax year 2021 is the addition of two individual coverage health reimbursement arrangement (ICHRA) codes for Line 14. This will not be relevant for employers who offer the Health Trust medical coverage. ICHRAs reimburse employees for the cost of obtaining individual medical coverage or Medicare, and employers offering ICHRAs may not also offer participation in a traditional group health plan.

The Form 1094-C remains unchanged from prior years.

The 2021 Form 1095-C is on the IRS website at <https://www.irs.gov/pub/irs-pdf/f1095c.pdf>. The 2021 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/pub/irs-pdf/i109495c.pdf>.

Good-Faith Relief Eliminated

Every year since the ACA reporting forms have been required, the IRS has indicated that it would not assess penalties due to incorrect forms as long as the employer could show that it made “good faith” efforts to comply. In other words, minor mistakes or missing information was not a cause for concern if, generally, employers were trying hard. They IRS has stated that they will no longer be accepting an explanation of good-faith for incorrect or incomplete submissions. It will be important for employers to carefully check the reporting forms for accuracy.

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. 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 2021, and will also provide that information to the IRS. Forms 1095-B will be mailed to policyholders (covered employees) on or before **March 2, 2022**.

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.