

bailey benefit *news*

This update is sent periodically to keep you informed of employee benefit plan issues that may impact your organization.



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The IRS recently issued draft instructions for the Affordable Care Act forms required for employer shared-responsibility (ESR) and minimum essential coverage (MEC) reporting. It's expected that issuers of health insurance and certain employers will use Form 1094-B and Form 1095-B for MEC reporting, while large employers will use Form 1094-C and Form 1095-C for ESR reporting and, in some cases, MEC reporting. Form 1095-A will be used for Marketplace reporting.

A link to the instructions is provided below:

<http://www.irs.gov/pub/irs-dft/i1095a--dft.pdf>

The IRS has posted the draft forms as information only, and will post final versions for actual filing at a later date. The first reporting is required in early 2016 for the 2015 calendar year; however employers are encouraged to voluntarily report coverage information in 2015 for the 2014 calendar year.

The drafts include general instructions and provide an overview of why the forms/reporting are required. They also cover basic information such as:

- Who must complete the forms
- How the transmittal forms need to accompany their respective 1095-B or 1095-C Forms
- Line by line instructions
- Definitions of various terms used in reporting data
- Transitional relief for off-calendar year plans.

As a reminder, there are two forms required for each set of information being reported. A transmittal form that serves as the cover letter as well as forms providing data on either the individual or employer mandate.

Employers will complete Form 1094-C and Form 1095-C. 1094-C serves as the transmittal sheet to the IRS and Form 1095-C will be sent to both the IRS and named individuals. *Please note that if the plan is insured, the employer will only complete Parts I and II of Form 1095-C.*