



WHAT EMPLOYERS NEED TO KNOW RIGHT NOW ABOUT HEALTH CARE REFORM

IRS Issues Final Forms and Instructions for Employer and Insurer Reporting Forms

Background

In order for the Internal Revenue Service (IRS) to verify that (1) individuals have the required minimum essential coverage, (2) individuals who request premium tax credits are entitled to them, and (3) large employers are meeting their shared responsibility (play or pay) obligations, employers with 50 or more full-time or full-time equivalent employees and insurers will be required to report on the health coverage they offer. Reporting will first be due early in 2016, based on coverage in 2015. All reporting will be for the calendar year, even for non-calendar year plans. Non-calendar year plans will use a code to indicate they are not a calendar year plan.

The reporting requirements are in Sections 6055 and 6056 of the Patient Protection and Affordable Care Act (PPACA). The IRS has developed a series of forms that will be used to implement this reporting requirement. IRS [Form 1095-B](#) essentially will be used to meet the Section 6055 reporting requirement. The Section 6055 reporting relates to having coverage to meet the individual-shared responsibility requirement. Form 1095-B will be used by insurers, plan sponsors of self-funded multiemployer plans, and plan sponsors of self-funded plans that have fewer than 50 employees to report on coverage that was actually *in effect* for the employee or union member, and their covered dependents, on a month-by-month basis.

IRS [Form 1095-C](#) primarily will be used to meet the Section 6056 reporting requirement. The Section 6056 reporting requirement relates to the employer-shared responsibility/play or pay requirement. Information from the Form 1095-C also will be used in determining whether an individual is eligible for a premium tax credit. Employers with 50 or more full-time or full-time equivalent employees will complete much of Form 1095-C to report on coverage that was *offered* to the employee and eligible dependents. In addition, to save large employers that sponsor self-funded plans from having to complete two forms, a Part III has been included in Form 1095-C. Large employers with self-funded plans will use that part of the form to report information about *actual* coverage that otherwise would be reported on Form 1095-B. [Form 1094-C](#) is used in combination with Form 1095-C to determine employer-shared responsibility penalties.

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Employers with 50 or more full-time or full-time equivalent employees must provide Form 1095-C to virtually all employees who were full-time (averaged 30 hours per week) during any month during the year, even if coverage was not offered to the employee or the employee declined coverage. (If the full-time employee never becomes eligible during the year, most likely because the employee is a variable-hours employee in an initial measurement period, the form does not need to be provided.)

General Information

On February 9, 2015, the IRS issued the final 2015 [Forms and Instructions](#). The IRS has also issued a [brochure](#) on the employer-shared responsibility and reporting requirements, a [Q and A on Section 6055 Reporting](#), and a [Q and A on Section 6056 Reporting](#). The instructions and Q and A documents contain detailed information that employers may find very helpful. In some respects this reporting is modeled on W-2 reporting – there is extensive use of codes, in most cases each employee will receive a report that reflects the employee's specific situation, a transmittal form will accompany the individual forms when transmitted to the IRS, and due dates mirror those for W-2 reporting. In addition, the forms must be mailed unless the employee or insured specifically consents to receiving the form electronically (posting to the employer's website is considered electronic distribution).

Although employers with 50 to 99 employees generally do not need to comply with the employer-shared responsibility/play or pay requirements for 2015, they do need to comply with the reporting requirement for 2015. Employers in this situation will enter a code on their Form 1094-C to advise the IRS that they are not subject to penalties for 2015.

The individual's Form 1095 will first be due on February 1, 2016. The employer's or carrier's "roll-up" and other reporting using an IRS Form 1094 will first be due on February 29, 2016, if filing with paper and by March 31, 2016, if filing electronically. Groups that file 250 or more 1095 forms for 2015 will be required to file the Form 1094 and copies of the Form 1095 electronically.

An employer that is concerned about maintaining and transmitting Social Security numbers may use truncated numbers (XXX-XX-1234) on the Form 1095 it provides to the employee, but not on the version it provides to the IRS. Substitute forms will be permitted.

An employer must make three attempts to obtain the Social Security number of the individual. One attempt must be made when the person first becomes covered, with additional attempts later in that calendar year and the following calendar year. If a Social Security number is not available, the individual's birth date must be entered.

An employer may only file one Form 1095-C per employee, which means, for example, that if different divisions have different benefits, and an employee moves between divisions during the year, the employer will need to consolidate data onto one 1095-C form. However, each employer must file its own 1095-C, so if an employee moves from one employer to another within a controlled group, each employer must prepare a 1095-C. If the employee moves from one employer within the controlled group to another during the month, the employer for whom the employee worked the greatest number of hours during the month should report on that employee's offer and any coverage for that month.

An employer's reporting obligation, including the forms it or its insurer will need to file, varies by its size, its funding method (self-funded or fully insured), and whether it is part of a controlled group. The following section describes the requirements that apply to the most common situations. However the forms are

complicated and employers should review the IRS Instructions before completing the forms or designing systems. For purposes of these forms, an employee is considered full-time if the employee averaged 30 or more hours per week during a calendar month. If a person was a full-time employee for one or more months during the reporting year, the Form 1095-C Part II must report for each month during the year, even if the person was not employed during the month. A series of codes, described in the “Needed Information” section of this PPACA Advisor, will be used to indicate the person’s status for a particular month.

“Minimum essential” coverage is basic medical coverage. Coverage does not need to include the 10 essential health benefits to be considered minimum essential coverage. “Minimum value” coverage is medical coverage that has an actuarial value of at least 60%.

Sample Situations

1. Employer with fewer than 50 full-time and full-time equivalent employees in a controlled group during the prior calendar year and no coverage offered
 - No reporting is required.
2. Employer with 50 or more full-time and full-time equivalent employees in a controlled group during the prior calendar year and no coverage offered
 - The employer must provide Form 1095-C (Parts I and II) to each full-time employee.
 - The employer must provide copies of each Form 1095-C and a completed Form 1094-C to the IRS.
3. Employer with fewer than 50 full-time and full-time equivalent employees in a controlled group during the prior calendar year and fully insured coverage offered
 - The insurer must provide Form 1095-B to each employee who had coverage (whether the employee was full-time or part-time). The form will indicate each month for which the employee, a spouse or dependent children had coverage for at least one day. The insurer will also provide Form 1094-B and copies of all Form 1095-Bs to the IRS.
 - The employer has no Form 1095-C reporting duties.
4. Employer with fewer than 50 full-time and full-time equivalent employees in a controlled group during the prior calendar year and self-funded coverage offered
 - The employer must provide Form 1095-B to each employee who had coverage (whether the employee was full-time or part-time). The form will indicate each month for which the employee, a spouse or dependent children had coverage for at least one day. The employer will also provide Form 1094-B and copies of all Form 1095-Bs to the IRS.
 - The employer has no Form 1095-C reporting duties.
5. Employer with 50 or more full-time and full-time equivalent employees in a controlled group during the prior calendar year and fully insured coverage offered
 - The insurer must provide Form 1095-B to each employee who had coverage (whether the employee was full-time or part-time). The form will indicate each month for which the employee, a

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spouse or dependent children had coverage for at least one day. The insurer will also provide Form 1094-B and copies of all Form 1095-Bs to the IRS.

- In addition, the employer must provide Form 1095-C with Parts I and II completed to each employee who was employed full-time for at least one month during the year unless the full-time employee was ineligible for coverage for the entire year. (This will occur infrequently, but could happen with a new variable-hours employee in an initial measurement period.) The Form 1095-C is required even if the employee declined coverage. The form will need to be provided to an individual who retired or terminated during the year.
 - As a result, employees will receive forms from both the employer and the insurer.
 - The employer will also provide Part 1094-C to the IRS (see the “Needed Information” section of this PPACA Advisor for details) along with copies of all Form 1095-Cs.
6. Employer with 50 or more full-time and full-time equivalent employees in a controlled group during the prior calendar year and self-funded coverage offered
- The employer must provide Form 1095-C with Parts I, II and III completed to each employee who had coverage (whether the employee was full-time or part-time; special coding is needed in Part II for part-time employees who had coverage). This includes an individual who retired or terminated during the year. Part III of the form will indicate each month for which the employee, a spouse or dependent children had coverage for at least one day.
 - The employer must provide Form 1095-C with Parts I and II completed to each employee who was employed full-time for at least one month during the year and who declined coverage.
 - If the plan covers non-employees (such as directors or individuals who were retired for the entire reporting year) the employer may provide the non-employees with either a Form 1095-B or a Form 1095-C with Parts I, II and III completed; special coding is needed in Part II if the Form 1095-C is used.
 - No form is needed for an employee who did not work full-time for any month during the year and who either was not offered coverage or who declined coverage.
 - The employer will also provide Part 1094-C to the IRS (see the “Needed Information” section of this PPACA Advisor for details) along with copies of all Form 1095-Cs.
7. Multiemployer plans of any size
- If the multiemployer plan is self-funded, regardless of its size, the plan sponsor (such as the trustees or committee) must provide Form 1095-B to each union member who had coverage (whether the union member was full-time or part-time). The form will indicate each month for which the union member, a spouse or dependent children had coverage for at least one day. The plan sponsor will also provide Form 1094-B and copies of all Form 1095-Bs to the IRS.
 - If the multiemployer plan is fully insured, the insurer must provide Form 1095-B to each union member who had coverage (whether the union member was full-time or part-time). The form will indicate each month for which the union member, a spouse or dependent children had coverage for at least one day. The insurer will also provide Form 1094-B and copies of all Form 1095-Bs to the IRS.
 - If the employer had 50 or more full-time and full-time equivalent employees in its controlled group during the prior calendar year, whether the employees were union, non-union, or both, it must

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provide the union employee with a Form 1095-C with Parts I and II completed. See above for the forms needed for non-union employees. The employer will also provide Form 1094-C and copies of all Form 1095-Cs to the IRS.

8. Employers in controlled groups

- An employer that is a member of a controlled group or affiliated service group must provide specific additional reporting on Form 1094-C. See the "Needed Information" section for details.

In summary, the major reporting requirements are:

	Fully Insured < 50 FTEs	Fully Insured 50+ FTEs	Self-Funded < 50 FTEs	Self-Funded 50+ FTEs	Marketplace Coverage
Forms to employee	1095-B	1095-B / 1095-C (Parts I and II only)	1095-B	1095-C (all Parts)	1095-A
Filed by	Insurer	Insurer / Employer	Plan Sponsor (generally the employer)	Plan Sponsor (generally the employer)	Marketplace
Forms to IRS	1094-B	1094-B (with copies of all 1095-Bs) / 1094-C (with copies of all 1095-Cs)	1094-B (with copies of all 1095-Bs)	1094-C (with copies of all 1095-Cs)	1094-A
Filed by	Insurer	Insurer / Employer	Plan Sponsor	Plan Sponsor	Marketplace

Needed Information

1. Form 1095-B – Used by insurers, self-funded plans if less than 50 employees are in the controlled group, and self-funded multiemployer plans of all sizes

Form 1095-B will be used to report that individuals had minimum essential coverage in effect and will include:

- The name, address, and Social Security number of the "responsible individual" (typically this will be the employee, union member, or primary insured; date of birth may be used if a Social Security number is not available).
- The name and Social Security number (or date of birth if a Social Security number is not available) of each covered spouse and dependent.
- The calendar months each employee, spouse, or dependent child was covered for at least one day (if the person was covered for the whole year, this may be reported by year rather than month by month).
- The origin of the policy (whether coverage is through the SHOP Marketplace, an employer, the government, individual insurance, a multiemployer plan, or miscellaneous minimum essential coverage).

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- The name, address, and Employer Identification Number (EIN) of the employer if an employer sponsors the plan.
- The Small Business Health Options Program (SHOP) Marketplace unique identifier if coverage is provided through the SHOP.

Each "responsible individual" will receive a Form 1095-B describing the family unit's coverage.

In addition, the insurer, employer or plan sponsor must file the Form 1094-B transmittal form with a copy of each completed Form 1095-B. To complete the Form 1094-B this information is needed:

- The insurer's, employer's or plan sponsor's complete name, address, and EIN and the name and phone number of a contact person (who does not need to be an employee).
 - The total number of 1095-B forms submitted with that particular transmittal form.
2. Form 1095-C, Parts I and II – Used by all large employers (those that averaged 50 or more full-time or full-time equivalent employees in their controlled group during the prior calendar year), regardless of whether the plan is fully insured or self-funded

To help determine whether the large employer offered minimum essential coverage, or coverage that is affordable and provides minimum value during the year, the form requires the employer to indicate whether coverage was offered each month to the employee and to various combinations of family members (such as employee and spouse, employee and dependent children), the robustness of the coverage (minimum essential or minimum value) and whether the coverage was affordable under one of the affordability safe harbors.

Part I (Identifying Information):

- The name, address, and Social Security number of the employee.
- The name, address, federal Employer Identification Number (EIN) and a contact telephone number for the employer (who does not have to be an employee). Each employer must complete the form in its own name, even if it participates in a plan sponsored by another entity.

Part II (Offer of Coverage):

- Information on the coverage offered to the employee, using a series of codes labeled Code Series 1. If coverage did not vary during the calendar year, the employer may use one code to report all 12 months or it may report each month separately. If coverage varied during the year, the relevant code is needed for each month. The reporting will be made on a calendar year basis, even if the employer has a non-calendar year plan. All months must be completed even if the employee only worked for the employer for part of the year. In situations in which multiple codes may apply, the IRS Instructions explain which code to use. The Series 1 offer codes are:
 - Offered minimum value coverage to the employee with an employee contribution for self-only coverage less than or equal to 9.5% of the federal poverty level (FPL) for the 48 contiguous states and offered at least minimum essential coverage to the spouse and dependent children (a "qualifying offer") – code 1A. See the Transition Options section of this piece for details. If this code is used, Line 15 must be left blank.
 - Offered minimum value coverage to the employee only – code 1B.

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- Offered minimum value coverage to the employee and at least minimum essential coverage to the employee's dependent children (but not to the spouse) – code 1C.
- Offered minimum value coverage to the employee and at least minimum essential coverage to the spouse (but not to the employee's dependent children) – code 1D. An employer that excludes or imposes a surcharge on spouses who have coverage available through the spouse's employer may use this code even if the employee's spouse falls under the carve-out.
- Offered minimum value coverage to the employee and at least minimum essential coverage to both the dependent children and the spouse – code 1E. An employer that excludes or imposes a surcharge on spouses who have coverage available through the spouse's employer may use this code even if the employee's spouse falls under the carve-out. This treatment is for reporting purposes only, and generally will not affect the spouse's eligibility for the premium tax credit if the spouse did not meet the condition and therefore did not have an actual offer of coverage.
- Offered coverage that is minimum essential coverage but does not provide minimum value to the employee, or to the employee and the employee's spouse or dependents, or to the employee the employee's spouse and dependents – code 1F.
- Offered coverage to an employee who was not a full-time employee and the employee enrolled in coverage that is self-funded – code 1G.
- No medical coverage was offered at all, or the coverage that was offered is not minimum essential coverage – code 1H.
- 2015 qualifying offer transition relief: employee, spouse or dependents received no offer of coverage, received an offer of coverage that is not a "qualifying offer" or received a "qualifying offer" for less than all 12 months but 95% of the employees did receive such an offer – code 1I (see the Transition Options section for details).
- If the offered coverage meets minimum value (that is, codes 1B, 1C, 1D, or 1E apply), the employee share (to the nearest cent) of the lowest cost monthly premium for self-only minimum value coverage for which the employee is eligible for each month (not the premium for the coverage the employee has elected) will be entered on Line 15.
- Employee status codes, labeled Code Series 2, will be entered in Line 16 if applicable. In some cases the code will be used by the IRS to determine whether a penalty is owed, which means it is generally desirable to input one of these codes. For example, if a full-time employee declined coverage, the affordability code that applies to the employee's class of employees should be entered. In situations in which more than one code applies, the instructions explain which code to use. The status codes are:
 - Employee was not employed at all during the month – code 2A.
 - Employee was employed but not a full-time employee – code 2B. This code also is used for the last month of an employee's employment if coverage ended prior to the last day of the month.
 - Employee was enrolled in the coverage offered – code 2C. This code should be used if the employee enrolled in the employer-sponsored coverage, even if other codes apply.

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- Employee was in a “limited non-assessment period” (for example, a new full-time employee was within the first three full calendar months of employment) – code 2D.
 - Multiemployer interim rule relief applies (essentially, the employer is credited with coverage offered under a multiemployer plan if the employer is obligated to contribute for the employee’s union plan coverage) – code 2E. This code should be used if the employee is eligible for affordable, minimum value coverage through a multiemployer plan to which the employer contributes, even if other codes apply.
 - Coverage is affordable using the W-2 safe harbor (the cost of single coverage for the least expensive option that provides minimum value did not exceed 9.5% of the employee’s Form W-2, Box 1 income for the year that is being reported; if this method is used it must be used for the entire calendar year) – code 2F.
 - Coverage is affordable using the federal poverty line safe harbor (the cost of single coverage for the least expensive option that provides minimum value did not exceed 9.5% of the FPL for the 48 contiguous states) – code 2G.
 - Coverage is affordable using the rate of pay safe harbor (generally, the cost of single coverage for the least expensive option that provides minimum value did not exceed 9.5% of the employee’s rate of pay at the beginning of the coverage year that is being reported) – code 2H.
 - Non-calendar year transition relief applies (i.e., the employer is using a plan year other than a calendar year and qualifies under the transition rules to delay compliance with the pay or pay requirement until the start of the 2015 plan year) – code 2I.
3. Form 1095-C, Part III – Used by employers with 50 or more employees in their controlled group that sponsor a self-funded plan

To complete Part III the employer will need:

- The name and Social Security number (or date of birth if a Social Security number is not available) of each covered person (that is, the employee and any covered spouse or dependent children).
- The calendar months each person was covered for at least one day (if the person was covered for the whole year, this may be reported annually rather than month by month).

If a full-time employee declined the offered self-funded coverage, Part III will be left blank for that employee, but Parts I and II still must be completed. If an employee who works less than full-time was covered under the self-funded plan, Part III should be completed for that employee (and part of Part II will also need to be completed, using Code 1G to indicate the person was not a full-time employee).

If employees are married and one is covered as a dependent, a Part III of Form 1095-C should only be completed for the employee who is the primary insured, with the enrollment information for the spouse and any children listed on that employee’s form.

4. Form 1094-C, Parts I, II and III – Used by all employers that issue a Form 1095-C

To complete the Form 1094-C this information is needed:

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- The employer's name, address, and EIN and the name and phone number of a contact person (who does not need to be an employee).
- The total number of 1095-C forms submitted with that particular transmittal form. An employer may file more than one Form 1094-C if that simplifies reporting. However, one of the forms must then be designated as the "authoritative transmittal."

Note: Government employers that provide benefits through a larger entity may do some reporting through a "designated government entity." See the "Designated Government Entity" section, below, for details. Other employers should skip this section of the form.

One Form 1094-C must be designated as the "authoritative transmittal," even if the employer only submits one Form 1094-C. The "authoritative transmittal" needs this additional information:

- The total number of 1095-C forms submitted by the employer.
- An indication whether the employer is part of an ALE Aggregated Group (i.e., a controlled or affiliated service group) with 50 or more full-time or full-time equivalent employees.
- Under the "Certifications of Eligibility" section, any exemption claimed from reporting or penalties because of its size, 2015 transition rules, or offering coverage to a very high percentage of individuals (see the "Transition Options" section, below, for details).
- On a month by month basis (or for the full year if nothing changes):
 - Whether minimum essential coverage was offered to at least 70% of full-time employees and dependents (excluding those in a waiting period; in addition an employer that does not presently offer coverage to dependent children but intends to do so by 2016 may mark this box yes).
 - The total number of full-time employees of that employer for the calendar month excluding newly hired full-time employees in a waiting period and variable-hours or seasonal employees in an initial measurement period; an employer that offers affordable minimum value coverage to 98% of its full-time employees and minimum essential coverage to their spouse and dependent children does not need to report the employee count and marks the "98% Offer Method" box under the Certifications of Eligibility section.
 - The total employee count, including part-time employees and employees who are not yet eligible for coverage, for the calendar month (the count may be made as of the first day of the month, the last day of the month, the first day of the first pay period of the month or - if the pay period will always end within the calendar month - the last day of the first payroll period of the month, but a consistent date must be used).
 - Whether the employer is part of a controlled or affiliated service group for a calendar month, or the full year.
 - Whether the employer qualifies for transition relief for 2015 either because it had 50 to 99 employees in 2014 and met the maintenance of coverage requirements (code A is used), or it had 100 or more full-time and full-time equivalent employees in 2014 and therefore may use the "free 80 employees" against a penalty that may be due for failing to offer coverage to enough employees (code B is used). This reporting supplements the election of "Section 4980H Transitional Relief" under the Certifications of Eligibility section of the form.

5. Form 1094-C, Part IV – Used by employers that were part of a controlled group

To complete Part IV of Form 1094-C, the employer that is in a controlled or affiliated service group must enter the name and EIN of all other employers that were part of the group during all or part of the calendar year. If there are more than 30 employers in the group, only the 30 largest will be reported. The other employers must be listed in descending order with the employer with the largest average number of full-time employees listed first.

Transition Options

Employers that offer particularly generous coverage may use alternative, simplified reporting instead of the "general" reporting explained above. Unfortunately, none of these available methods reduce reporting by very much. The employer may use different alternative reporting methods for different groups of employees. Three alternative methods will be available for 2015:

1. **Qualifying Offer Method.** If the employer makes a "qualifying offer" to one or more full-time employees, it can provide a code instead of the cost of coverage information on line 15 of Form 1095-C. In addition, if qualifying offer coverage is offered for the entire year and the employer offers fully insured (not self-funded) coverage, the employer may provide a notice to the employee instead of the completed Form 1095-C. The streamlined reporting must include the employer's name, address and EIN, a contact name and phone number, and a statement indicating that, for all 12 months of the calendar year, the employee and his or her spouse and dependents, if any, received a "qualifying offer" and therefore are not eligible for a premium tax credit. A "qualifying offer" is an offer that meets all of these requirements:
 - It is offered to the employee and to any spouse and dependent children.
 - It provides minimum value to the employee and at least minimum essential coverage to the spouse and children.
 - It has an employee contribution for single coverage that is less than 9.5% of the federal poverty level (FPL) in the 48 contiguous states (FPL for 2015 is \$11,170).

However, the employer still must provide a copy of the Form 1095-C to the IRS. Employers might find this useful, therefore, only if they believe the statement will generate fewer employee questions than the completed Form 1095-C or it will have difficulty providing the lowest cost premium information.

2. For 2015 only, an employer may take advantage of the "qualifying offer method transitional relief method" if it has provided a "qualifying offer" to 95% of its full-time employees, their spouses, and dependents during 2015. (The 95% does not include those not yet eligible for coverage.) Instead of reporting the cost of the least expensive minimum value coverage available on Form 1095-C the employer will use a code for each month to indicate whether the employee did or did not receive a qualifying offer for the month. Instead of providing the completed Form 1095-C to the employee, if the offered coverage is insured (not self-funded) the employer may provide a statement that includes the employer's name, address and EIN, a contact name and phone number, and one of two statements. If the employee and his or her spouse and dependents, if any, received a qualifying offer for all 12 months of the calendar year and therefore are not eligible for a premium tax credit the statement will indicate that the employee and any dependents are not eligible for any premium tax credits for the year. Any full-time employees that do not receive a qualifying offer for all 12 months must receive a

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statement that they may be eligible for premium tax credits for any months in which a qualifying offer was not made.

However, the employer still must provide a copy of the Form 1095-C to the IRS. Employers might find this useful, therefore, only if they believe the statement will generate fewer employee questions than the completed Form 1095-C or it will have difficulty providing the lowest cost premium information.

3. **98% Offer Method.** If the employer offers affordable, minimum value coverage to at least 98% of its total employees (regardless of whether they are full-time or part-time) it does not need to report whether an employee is full-time and it does not need to provide a count of its full-time employees. However, it will still need to provide a Form 1095-C to each of its employees which includes all of the other information required, and if an employee requests a premium tax credit, it will need to respond to an IRS inquiry about the employee's work and coverage status.

Employers that anticipate difficulties reporting full-time employees (excluding those in waiting periods) may find this option helpful.

Designated Government Entity

Governmental units may file themselves or they may designate another person or entity that is part of or related to their governmental unit to report on their behalf. A separate Form 1094-C must still be filed for each separate unit. Government units that designate another to report for some but not all of their employees need to coordinate the "authoritative transmittal" with the other entity. The designated person must agree in writing to assume the filing responsibility.

Assessing Penalties

The IRS will match information provided on the various forms to determine whether the employer or individual owes a penalty and if premium tax credits were made in the correct amount. Employer penalties will be assessed after the year in which reporting occurred. Any employer penalty will be billed by the IRS with an opportunity for the employer to appeal. Individual penalties will be applied to any refund due the employee. Any needed adjustment to a premium tax credit will be made as an additional income tax refund or amount due from the employee when the employee files his federal income tax return. Employer penalties will be indexed for changes in the cost of living, but the 2015 figures have not been released yet.

The IRS has said that it will not impose penalties, at least for 2015 reporting, on entities that make a good faith effort to comply, even if errors are made. Those that do not file, or do not file timely, can expect the usual non-filing penalties (which range from \$30 to \$100 per return), to apply.

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