

WHAT YOU NEED TO KNOW



IRS Q&A About Employer Information Reporting on Form 1094-C and Form 1095-C

On December 22, 2016, the Internal Revenue Service (IRS) updated its longstanding [Questions and Answers about Information Reporting by Employers on Form 1094-C and Form 1095-C](#) that provides information on:

- [Basics of Employer Reporting](#)
- [Reporting Offers of Coverage and other Enrollment Information](#)
- [Reporting for Governmental Units](#)
- [Reporting Offers of COBRA Continuation Coverage and Post-Employment Coverage](#)
- [Reporting Coverage under Health Reimbursement Arrangements \(Form 1095-C, Part III\)](#)

Generally, the Q&A describes when and how an employer reports its offers of coverage and describes the codes that employers should use when completing Form 1094-C and Form 1095-C for calendar year 2016 that are to be filed in 2017. The Q&A should be used in conjunction with the [Instructions for Forms 1094-C](#) and [1095-C](#) which provide detailed information about completing the forms.

The updated Q&A provides information on COBRA reporting that had been left pending in earlier versions of the Q&A for the past year.

Background

Employers with 50 or more full-time employees (including full-time equivalent employees) in the preceding calendar year use Form 1094-C and Form 1095-C to report on health coverage offers to full-time employees (and family members) and health coverage enrollment by employees (and family members) for employers that sponsor self-insured health plans.

Form 1094-C is used to report to the IRS summary information for each employer and to transmit Forms 1095-C to the IRS. Form 1095-C is used to report information about each employee.

The information reported on Form 1094-C and Form 1095-C is used in determining whether an employer is potentially liable for a payment under the employer shared responsibility provisions, and the amount of the payment, if any.

Form 1095-C is also used by the IRS and the employee in determining the eligibility of the employee (and the employee's family members) for the premium tax credit.

For employers that are subject to the employer shared responsibility provisions and that sponsor self-insured health plans, Form 1095-C is also used by the IRS and individuals to verify employees' and family members' enrollment in minimum essential coverage under the self-insured health plan for purposes of the individual shared responsibility provisions.

Basics of Employer Reporting

Filing and Deadlines

Under the general method of reporting, an applicable large employer (employer) must file a separate Form 1095-C for each employee who was a full-time employee of the employer for any month of the calendar year, including any employee who was treated as a full-time employee for one or more months of the calendar year under the look-back measurement method for determining full-time employee status under the employer shared responsibility provisions.

For reporting in 2017 (for offers of coverage and coverage in 2016), an applicable large employer must furnish Form 1095-C to each full-time employee on or before March 2, 2017. This due date reflects a 30-day extension from the general due date (January 31 of the year immediately following the calendar year to which the information relates); the extension was provided by the IRS in [Notice 2016-70](#) on November 18, 2016.

The extension applies automatically and does not require the submission of any request or other documentation to the IRS. In view of this automatic extension, the rules allowing the IRS to grant extensions of time of up to 30 days to furnish Form 1095-C will not apply to the extended due date.

An employer must file a transmittal Form 1094-C for all the returns filed for a given calendar year. An employer may file one or more Forms 1094-C but, regardless of the number of Forms 1094-C the employer files, the employer must file only one Form 1094-C that is an Authoritative Transmittal, reporting summary information about the employer and its employees.

These forms must be filed whether the employer offers coverage, or the employee enrolls in any coverage offered.

For 2016 reporting, Forms 1094-C and 1095-C must be filed with the IRS by February 28, 2017, if filing on paper, or March 31, 2017, if filing electronically. Regulations address extensions of time to file information returns.

Although IRS extended the due date for furnishing Form 1095-C for 2016, the due date for filing Forms 1094-C and 1095-C with the IRS was not extended. Note that Notice 2016-70 does not affect the normal provisions regarding automatic extensions of time for filing information returns, which can be obtained by submitting a [Form 8809](#), Application for Extension of Time to File Information Returns, and it also does not affect the provisions regarding additional extensions of time to file.

When an Applicable Large Employer is Not Required to File or Furnish a Form 1095-C

Form 1095-C is not required for the following employees (unless the employee or the employee's family member was enrolled in a self-insured plan sponsored by an applicable large employer):

- An employee who was not a full-time employee in any month of the year
- An employee who was in a limited non-assessment period for all 12 months of the year

Applicable Large Employers that Should Complete Part III of Form 1095-C

An applicable large employer that sponsors a self-insured health plan should complete Part III of Form 1095-C for employees and family members who enroll in the self-insured coverage.

An applicable large employer that sponsors a health plan that includes self-insured options and insured options should complete Part III of Form 1095-C only for employees and family members who enroll in a self-insured option.

An employer who participates in a multiple employer welfare arrangement (MEWA) is considered to offer that coverage to its employees, so if the employer participates in a self-insured MEWA that employer would be required to complete Part III for its employees and family members who enroll in the MEWA.

An employer that offers coverage to an employee other than under its own self-insured health plan or a self-insured MEWA, such as through an employer-sponsored insured health plan or a multiemployer health plan, should not complete Part III. Instead, the insurance provider or the sponsor of the plan providing the coverage will file coverage information with the IRS and furnish coverage information to employees on Form 1095-B.

Reporting Offers of Coverage and Other Enrollment Information

Reporting Whether an Offer of Coverage was Made to an Employee for a Month

The employer uses line 14, Offer of Coverage, in Part II of Form 1095-C to report whether an offer of coverage was made to an employee for each month of the year. An offer of coverage is considered to have been made for a month only if the coverage offered would provide coverage for every day of that month.

The employer should enter the applicable indicator code to report whether coverage was offered and, if so, the type of coverage that was offered to the employee for that month (for example, employee-only coverage, employee and dependents coverage, employee, spouse and dependents coverage, etc.).

Reporting Offer of Coverage for the Month in Which an Employee is Hired

For the first month of employment, in Part II of Form 1095-C, the employer should report that the employee was not offered coverage for that month by entering code 1H, No offer of coverage, on line 14 (unless the employee was offered coverage and the offer of coverage extended to every day of that month).

For example, if a newly-hired employee starts employment on the 10th of a month, with the offer of coverage (if accepted) providing coverage also starting on the 10th of the month, the employer should report that the employee was not offered coverage for that first month.

If an employee's first day of employment is a day other than the first day of the month, then the first month of employment is a limited non-assessment period and the applicable large employer will not be

subject to a payment under the employer shared responsibility provisions for that employee's first month of employment. In that case, the employer should enter code 2D, Employee in a section 4980H(b) Limited Non-Assessment Period, on line 16 for that month.

The rules are different for Part III of Form 1095-C. In Part III of Form 1095-C, an employer that sponsors a self-insured health plan should report an individual as having coverage under the plan for the month if the individual was covered for any day of the month. If the employee enrolls in the plan and obtains coverage for any day during the month of hire, the employee (and any family members who obtained coverage through the employee's enrollment) should be reported as having coverage for that month in Part III of Form 1095-C.

Reporting Offer of Coverage for the Month in Which an Employee Terminates Employment

If an employee terminates employment with an employer on any day other than the last day of a month and the coverage or offer of coverage expires upon employment termination, the employer should report that the employee was not offered coverage for that final month of employment by entering code 1H, No offer of coverage, on line 14.

The rules are different for Part III of Form 1095-C. In Part III of Form 1095-C, an applicable large employer that sponsors a self-insured health plan should report an individual as having coverage under the plan for the month if the individual was covered for any day of the month. In this case, if an employee who terminates employment with an employer had coverage for any day during the month of termination, the employee (and any family members who had coverage through the employee's enrollment) should be reported as having coverage for that month in Part III of Form 1095-C.

Also, if the coverage or offer of coverage would have continued if the employee had not terminated employment during the month, the employer will be treated as having offered coverage to that employee for purposes of the employer shared responsibility provisions for that employee's last month of employment. In that case, the employer should enter code 2B, Employee not a full-time employee, on line 16 for that month. In addition, the employer can treat the employee as having been offered coverage for the month for purposes of Form 1094-C, Part III, column (a).

How to Compute the Employee Required Contribution on Line 15

An amount is entered on line 15 only if the offer of coverage reported on line 14 includes an offer of minimum value coverage to the employee. In that case, the Employee Required Contribution is the employee's share of the monthly cost for the lowest-cost self-only minimum essential coverage providing minimum value that is offered to the employee by the employer.

Be aware that the Employee Required Contribution may not be the same amount as the premium the employee pays for coverage if, for example, the employee chooses to enroll in more expensive coverage, such as family coverage. Further, the Employee Required Contribution may not be the same amount as the premium the employee pays for coverage if the employer, in addition to or in conjunction with the coverage, offers other arrangements that could affect the employee's cost of coverage, including certain health reimbursement arrangement (HRA) contributions, wellness program incentives, flex credits, and opt-out payments.

No Requirement to Enter a Code on Line 16, Section 4980H Safe Harbor and Other Relief

An applicable large employer is not required to make an entry on line 16 of Form 1095-C. However, it may use line 16 to indicate that the employer qualifies for an exception from a potential assessable payment under the employer shared responsibility provisions for a given month. The employer should enter the appropriate code on line 16 if any applies. If no code is applicable for a given month, then line 16 should be left blank.

Coding Lines 14 and 16 When a Full-Time Employee does not Enroll or Waives Coverage

There is no specific code that is entered on either line 14 or line 16 of Form 1095-C to indicate that a full-time employee is offered coverage but did not enroll.

If a full-time employee has an offer of coverage, the employer enters the applicable indicator code on line 14 to report the type of coverage the employee was offered. The employer may use line 16 to report that it qualifies for an exception from a potential assessable payment under the employer shared responsibility provisions for a given month.

There is no exception from a potential assessable payment under the employer shared responsibility provisions for cases where the employee waived, declined, or did not enroll in coverage. However, an applicable large employer may not be subject to a potential assessable payment for other reasons; for example, if the employer offered the employee affordable coverage that provided minimum value, then it should enter the appropriate code on line 16, if any applies.

Reporting Enrollment Information for Coverage Provided by a Self-Insured Health Plan to an Individual who was not an Employee on any Day of the Calendar Year, such as a Non-Employee COBRA Beneficiary

An applicable large employer that sponsors a self-insured health plan may use Form 1095-C to report enrollment information for individuals who were not employees on any day of the calendar year by entering code 1G, "Offer of coverage for at least one month of the calendar year to an individual who was not an employee for any month of the calendar year or to an employee who was not a full-time employee for any month of the calendar year... ."

If applicable, an applicable large employer should enter code 1G on line 14 of Form 1095-C in the "All 12 Months" column or in each separate monthly box (for all 12 months) and complete Part III of Form 1095-C.

All family members of an individual who are covered individuals due to that individual's enrollment (for instance, a spouse of a retiree who is enrolled in the plan because the retiree elected self plus spousal coverage) should be included on the same Form 1095-C as the individual who enrolls in the coverage.

Instructions for Forms 1094-C and 1095-C also provide employers with the option to use Form 1095-B as an alternative to Form 1095-C for an individual who was not an employee on any day of the calendar year.

Completing the Authoritative Transmittal and Form 1095-C if Using the Qualifying Offer Method

If an applicable large employer has made a Qualifying Offer for all 12 months of the year to one or more full-time employees (and the employee did not enroll in an employer-sponsored self-insured health plan), the employer may use an alternate reporting method for those employees who received a Qualifying Offer for all 12 months of the year.

A “Qualifying Offer” is an offer that satisfies the following criteria:

- It is an offer of minimum essential coverage that provides minimum value.
- The employee cost for employee-only coverage for each month does not exceed 9.5 percent (as adjusted) of the mainland single federal poverty line divided by 12.
- An offer of minimum essential coverage is also made to the employee’s spouse and dependents (if any).

On Form 1094-C, line 22, Certifications of Eligibility, the applicable large employer should check box A, Qualifying Offer Method. On Form 1095-C, line 14, the employer should enter code 1A, Qualifying Offer, for each employee receiving a Qualifying Offer for all 12 months of the year.

When an employee receives a Qualifying Offer, no entry is required in line 15, Employee Required Contribution, and no entry is required in line 16, Section 4980H Safe Harbor and Other Relief.

Form 1095-C must be filed with the IRS; however, as an alternative to furnishing the employee with a copy of Form 1095-C filed with the IRS, the employer may furnish a statement containing certain information and stating that, because the employee received a Qualifying Offer for all 12 months of the year, the employee is not eligible for the premium tax credit.

An employer that sponsors a self-insured health plan may not use this alternative for any employee who has enrolled in the coverage under that plan because the employer is required to report that coverage on Form 1095-C. In this case, the employer must furnish the employee with a copy of Form 1095-C as filed with the IRS, which will include enrollment in coverage information (Part III) as well as offer of coverage information (Part II).

Completing the Authoritative Transmittal and Forms 1095-C, if Using the 98% Offer Method

If an applicable large employer, taking into account all months during which the individuals were employees of the employer and were not in a limited non-assessment period, has offered affordable health coverage providing minimum value to at least 98 percent of its employees for whom it is filing a Form 1095-C, and offered minimum essential coverage to those employees’ dependents, the employer may qualify for simplified reporting procedures.

For this purpose, the health coverage is affordable if the employer meets one of the affordability safe harbors. For purposes of the 98 percent offer method, an offer to an employee’s spouse is not required.

If an applicable large employer uses this method, it should check box D, 98% Offer Method, on line 22 of Form 1094-C.

The ALE Member is not required to determine whether all employees for whom it is filing were full-time employees and is not required to complete Form 1094-C, Part III(b), Section 4980H Full-Time Employee Count for ALE Member, on its Authoritative Transmittal. However, the ALE Member is required to file Forms 1095-C on behalf of all its full-time employees who were full-time employees for one or more months of the calendar year.

Reporting Offers of COBRA Continuation Coverage and Post-Employment Coverage

Reporting Offers of COBRA Continuation Coverage

An offer of COBRA continuation coverage that is made to a former employee due to termination of employment is not reported as an offer of coverage in Part II of Form 1095-C.

If the applicable large employer is required to complete a Form 1095-C for the former employee (because, for example, the individual was a full-time employee for one or more months of the year before terminating employment), the employer should use code 1H, No offer of coverage, on line 14 for any month that the former employee was offered COBRA continuation coverage. For those same months, the employer should use code 2A, Employee not employed during the month, on line 16 for each month in which the individual is not an employee (regardless of whether the former employee enrolled in the COBRA continuation coverage).

An employer that provides COBRA continuation coverage through a self-insured health plan generally must report that coverage for any former employee or family member who enrolls in that COBRA continuation coverage in Part III of the Form 1095-C. Also, the employer may report the coverage on Form 1095-B for any individual who was not an employee during the year and who separately elected the COBRA continuation coverage.

Reporting Offers of COBRA Continuation Coverage Due to a Reduction in Hours

An offer of COBRA continuation coverage that is made to an active employee due to a reduction in hours is reported differently than an offer of COBRA continuation coverage to a former employee.

An employer making an offer of COBRA continuation coverage to an active employee who loses eligibility for non-COBRA coverage due to a reduction in hours (for instance, a change from full-time to part-time status resulting in loss of eligibility under the plan) should report the offer of COBRA continuation coverage as an offer of coverage in Part II of Form 1095-C.

In this case, the code entered on line 14 for the months in which an offer of COBRA continuation coverage is made should reflect only the individuals who received an offer of COBRA continuation coverage (which generally will be only the individuals enrolled in the non-COBRA coverage at the time of the reduction in hours) or the individuals who received an offer of other coverage at the same time the COBRA continuation coverage is offered.

This is because only the individuals who received an offer of COBRA continuation coverage (or of other coverage at the same time) are potentially ineligible for the premium tax credit for coverage through the Marketplace due to the offer of COBRA continuation coverage (or other coverage).

For example, assume a full-time employee who has been offered spouse and dependent minimum value coverage elects self-only coverage as the original (non-COBRA) coverage. Further assume the employee becomes part-time and receives an offer of COBRA continuation coverage that provides minimum value, but neither the employee's spouse nor dependents are offered COBRA continuation or other coverage at that time. In that case, the ALE Member should enter code 1B, Minimum essential coverage providing minimum value offered to employee only, on line 14 for each month for which the COBRA continuation coverage offer applies.

In addition to the preceding instructions for completing line 14, for purposes of the employer shared responsibility provisions, an applicable large employer will be treated as having made an offer to a full-time employee's dependents (not including spouse) for an entire plan year if the employer provided the employee an effective opportunity to enroll the employee's dependents at least once for the plan year, even if the employee declined to enroll the dependents in the coverage and, as a result, the dependents later did not receive an offer of COBRA coverage.

This treatment of the initial offer as an offer of coverage to the dependents would include the period after that employee had a reduction in hours, lost eligibility under the plan, and was offered self-only COBRA continuation coverage; however, this treatment applies only if the employer would also have offered the dependents COBRA continuation coverage if they had been enrolled in the plan at the time of the reduction in hours.

The IRS provides the following examples of the way employers should report offers of COBRA continuation coverage for active employees on Form 1095-C.

Example 1

ABC Corporation is an applicable large employer and its health plan has a calendar year plan year.

James was a full-time employee of ABC Corporation and received an offer of coverage under its health plan, providing minimum value, including an offer of minimum essential coverage for his spouse and dependents. James enrolled in self-only coverage from January 1, 2016, through October 31, 2016.

The employee required contribution for the lowest cost self-only coverage providing minimum value available under the plan was \$150 per month.

On November 1, 2016, James transferred to a part-time position and was no longer eligible for coverage under the terms of the ABC Corporation health plan. James received an offer of COBRA continuation coverage due to the transfer to the reduced-hours position, with an employee required contribution of \$250 per month for self-only coverage providing minimum value.

James elected to enroll in the COBRA continuation coverage for the months of November and December 2016.

ABC Corporation should complete Part II of Form 1095-C for James as follows:

January - October

Line 14 – Enter code 1E (Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse)

Line 15 – Enter \$150 as the employee required contribution

Line 16 – Enter code 2C (Employee enrolled in coverage offered)

November - December

Line 14 – Enter code 1B (Minimum essential coverage providing minimum value offered to employee only)

Line 15 – Enter \$250 as the employee required contribution

Line 16 – Enter code 2C (Employee enrolled in coverage offered)

Example 2

The same facts as Example 1, except James elects not to enroll in the COBRA continuation coverage. ABC Corporation should complete line 14 and line 15 in the same manner as in Example 1. However, the applicable code, if any, for line 16 for November and December is determined as it would be for any other active employee. Thus, for any month in which James is treated as a full-time employee under the look-back measurement method, the employer may not use code 2B, Employee not a full-time employee, on line 16. In that case, the employer may enter another code from Code Series 2, if applicable.

ABC Corporation should complete Part II of Form 1095-C for James as follows:

January - October

Line 14 – Enter code 1E (Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse)

Line 15 – Enter \$150 as the employee required contribution

Line 16 – Enter code 2C (Employee enrolled in coverage offered)

November - December

Line 14 – Enter code 1B (Minimum essential coverage providing minimum value offered to employee only)

Line 15 – Enter \$250 as the employee required contribution

Line 16 – Enter, if applicable, a code from Code Series 2 (Section 4980H Safe Harbor Codes and Other Relief for Employers)

For Examples 1 and 2, when ABC Corporation completes its Authoritative Transmittal, Part III – ALE Member Information – Monthly, Lines 23-35, ABC Corporation can treat James and his dependents as if they had an offer of coverage for the whole 2016 plan year, including November and December, when determining whether ABC Corporation offered minimum essential coverage to at least 95 percent of its full-time employees and their dependents.

Example 3

The same facts as Example 1, except from January 1, 2016, James enrolled in family coverage providing minimum value covering himself, his spouse, and his dependents. On November 1, 2016, when James transferred to a part-time position and lost eligibility for coverage under the terms of the plan, an offer of COBRA continuation coverage was made to James, his spouse, and his dependents. ABC Corporation should complete line 14 and line 15 in the same manner as in Example 1, except that for November and December, code 1E, Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse, should be entered on line 14.

ABC Corporation should complete Part II of Form 1095-C for James as follows:

January - October

Line 14 – Enter code 1E (Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse)

Line 15 – Enter \$150 as the employee required contribution

Line 16 – Enter code 2C (Employee enrolled in coverage offered)

November - December

Line 14 – Enter code 1E (Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse)

Line 15 – Enter \$250 as the employee required contribution

Line 16 – Enter code 2C (Employee enrolled in coverage offered)

Self-Insured Health Plan Reporting of Coverage of Spouses and Dependents Who Separately Elect to Receive COBRA Continuation Coverage

In some circumstances (for example, if the employee is deceased or elects not to enroll in COBRA continuation coverage), a current or former employee's spouse and dependents may be offered COBRA continuation coverage and be entitled to make an independent election to enroll in COBRA continuation coverage.

An employer that sponsors a self-insured health plan may choose to report coverage of each non-employee spouse and dependent who separately elects COBRA continuation coverage on Form 1095-B or on Form 1095-C.

Example

Keri was a full-time employee of ABC Corporation, which is an applicable large employer. Effective for the plan year beginning January 1, 2016, Keri elected to receive self-and-spouse coverage under the self-insured ABC Corporation health plan for herself and her spouse, Gerald.

On May 15, 2016, Keri and Gerald divorce and Gerald loses eligibility for coverage under the plan. ABC Corporation makes an offer of COBRA continuation coverage to Gerald, who elects to enroll in the COBRA continuation coverage and remains enrolled from May 15, 2016, through December 31, 2016.

ABC Corporation should report Keri's enrollment in Part III of Form 1095-C by reporting that Keri was enrolled in minimum essential coverage in January 2016 through May 2016, and that Gerald had coverage (due to Keri's enrollment in coverage providing coverage to a spouse) for the months January through May 2016.

For the period June through December 2016, Keri and Gerald should receive separate forms reporting them as enrolled in minimum essential coverage under ABC Corporation's self-insured health plan. Keri's enrollment information will be included on her Form 1095-C; ABC Corporation may report for Gerald on a separate Form 1095-C or 1095-B.

Reporting Offer of Post-Employment (Non-COBRA) Coverage for a Full-Time Employee Who Terminates Employment During a Calendar Year

An offer of post-employment coverage that is made to a former employee upon termination of employment (such as at retirement) is not reported as an offer of coverage in Part II of Form 1095-C.

If an applicable large employer is otherwise required to complete Form 1095-C, Part II, for the former employee (because, for example, the individual was a full-time employee for one or more months of the year before terminating employment), the employer should use code 1H, No offer of coverage, on line 14 for any month that the former employee was offered post-employment coverage. For those same months, the employer should use code 2A, Employee not employed during the month, on line 16 for each month in which the individual is not an employee (regardless of whether the former employee enrolled in the post-employment coverage).

An applicable large employer that provides post-employment coverage through a self-insured health plan must report that coverage for any former employee or family member who enrolls in that coverage in Part III of the Form 1095-C for the calendar year in which the employee terminated employment.

For subsequent calendar years in which an individual who was not an employee for any month enrolls in post-employment coverage provided through the self-insured health plan, the employer may report that coverage on Form 1095-B or Form 1095-C.

Reporting Coverage Under Health Reimbursement Arrangements (Form 1095-C, Part III)

Reporting Coverage Under a Health Reimbursement Arrangement (HRA)

An HRA is a self-insured group health plan that is minimum essential coverage. Enrollment in an HRA must be reported in the same manner as enrollment in other minimum essential coverage, unless an exception applies.

Under one exception, if an individual is covered by two or more plans or programs that are minimum essential coverage and that are provided by the same reporting entity, reporting is required for only one of them for that month.

If, for a month, an individual is enrolled in an employer's self-insured major medical group health plan and has an HRA from the same employer, the employer is not required to report enrollment in coverage under the HRA (Form 1095-C, Part III or Form 1095-B, as applicable) for the individual.

If an employee is covered under both arrangements for some months of the year but drops coverage under the non-HRA group health plan and is covered only under the HRA, the employer must report coverage under the HRA for the months after the employee drops the non-HRA coverage.

Reporting Coverage Under an HRA for an Individual Who is Eligible for the HRA Because the Individual is Enrolled in the Employer's Insured Group Health Plan

An HRA is a self-insured group health plan that is minimum essential coverage. Enrollment in an HRA must be reported in the same manner as enrollment in other minimum essential coverage, unless an exception applies.

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Under one exception, if an individual is eligible for an HRA because the individual is enrolled in an employer's insured group health plan for which reporting is required, reporting generally is not required for the HRA.

For eligible employer-sponsored coverage, this exception applies only if both types of coverage (the HRA and the eligible employer-sponsored coverage for which reporting is required) are offered by the same employer. Thus, an applicable large employer is not required to report enrollment in coverage under an HRA for an individual who is enrolled in both the employer's HRA and the employer's insured group health plan and who is eligible for the HRA only because the individual is enrolled in the employer's insured group health plan, for which reporting is required.

However, an applicable large employer is required to report HRA coverage for an employee who is enrolled in the HRA but not enrolled in another group health plan of the employer.

For example, an applicable large employer must report on an employee enrolled in the HRA who is also enrolled in spousal coverage provided by another employer (rather than the employer's other group health plan) or an employee who has ended enrollment in the employer's major medical group health plan but retains the coverage under the HRA.

An applicable large employer is also required to report HRA coverage of a spouse or dependents if the employee enrolled in self-only coverage under the employer's major medical group health plan (so that the spouse or dependents with coverage under the HRA were not enrolled in the employer's major medical group health plan).

1/10/2017

This information is general and is provided for educational purposes only. It is not intended to provide legal advice. You should not act on this information without consulting legal counsel or other knowledgeable advisors.



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