

ACA Employer Reporting Obligations are Effective January 1, 2015 – Are You Ready?

Labor & Employment Law Update

By Kelly Haab-Tallitsch on October 14, 2014

Beginning January 2015, employers will be subject to extensive ACA reporting requirements. Although submission of the data for 2015 will not take place until early 2016, employers and insurers need to start capturing the required data in January and should ensure that all the proper data can be captured and tracked prior to the beginning of the year.

The rules require extensive data reporting and are intended to help the IRS enforce various tax provisions of the ACA, including the employer and individual mandates. Proposed instructions for reporting and draft forms were issued by the IRS at the end of August.

Employer Mandate Reporting – IRC Section 6056

Employers with more than 50 full-time equivalent employees are required to report if they made a “qualifying offer” of coverage to individual full-time employees and their dependents on a **per month, per employee basis**. The required amount of data is extensive and includes:

- Name, address, and SSN of each full-time employee and the months, if any, during the calendar year which the employee was covered under the health plan;
- The months for which minimum essential coverage was available;
- Each full-time employee's share of the lowest cost monthly premium (self-only) for coverage providing minimum value offered to that full-time employee under an eligible employer-sponsored plan, by calendar month; and
- The number of full-time employees for each month during the calendar year.

Certain additional information will be required through indicator codes.

Individual Mandate Reporting – IRC Section 6055

Employers with self-funded plans (including those with under 50 employees) and insurers are required to report overall information on the plan and the plan sponsor, as well as data for each individual covered under the plan. The required individual information includes:

- Name, address, and SSN (or date of birth if SSN not available) of each individual covered; and
- Months during the calendar year when the individual was covered.

Employers who are self-funded are subject to both the required individual mandate reporting and the employer mandate reporting and will report for both at the same time on the same forms.

Timing and Implications

Under both IRC Sections 6055 and 6056, the reporting entity (employer or insurer) is required to report data on the prior calendar year to employees by January 31 and to the IRS by March 31.

Even though reports will first be submitted in early 2016 for calendar year 2015, the reporting period begins January 1, 2015, requiring employers to start capturing the needed data as of that date. Employers must take necessary steps now to ensure that all required data can be tracked prior to the first of the year.

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