



ACA Reporting

February 14, 2024

This presentation does not constitute legal advice. Please consult legal counsel for specific guidance on benefit Plan actions based upon facts & circumstances of the inquiry.

Agenda – ACA Reporting

- The Affordable Care Act (ACA)
- Concepts: Affordability & Minimum Value
- Required Reporting
- Disclosure Requirements



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The Affordable Care Act (ACA) 2010

GOALS:

- Offer affordable, accessible health coverage
- Support innovative medical care delivery
- Expand Medicaid*
- Requires:
 - **individuals** to purchase health insurance.
 - ~~Individual mandate.*~~
 - **insurance carriers** to offer specific coverages.
 - Market reforms.
 - **employers** to offer health insurance coverage to EE's.
 - Employer mandate, or “Pay or Play” penalty



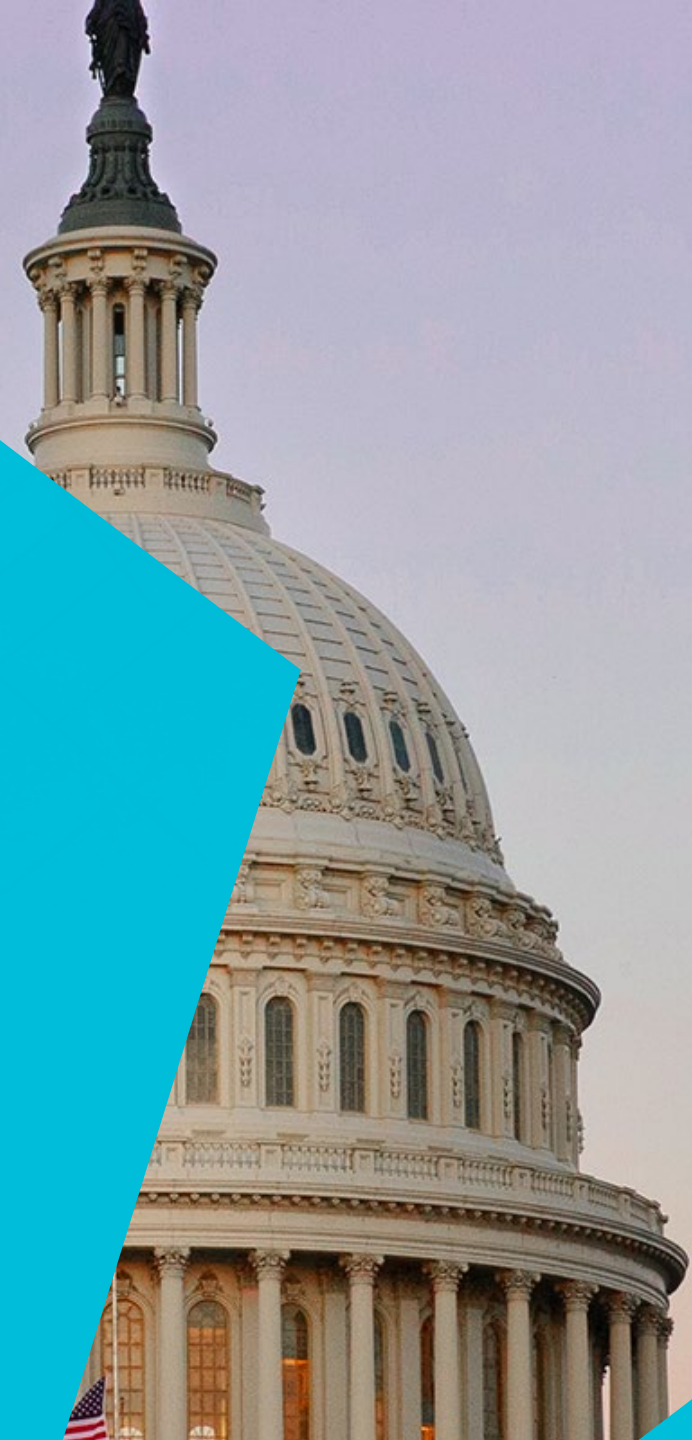
The Affordable Care Act (ACA) 2010

Applicable Large Employer (ALE)

Whether an employer is an ALE is **determined each calendar year &** depends on the **average size of an employer's workforce during the prior year.**

If an employer **has at least 50** full-time employees, including full-time equivalent employees, **on average during the prior year**, the employer **is an ALE for the current calendar year**, and is therefore subject to the employer

- shared responsibility provisions and;
- information reporting provisions.



The Affordable Care Act (ACA) 2010

Applicable Large Employer (ALE)

If an employer **has fewer than 50** full-time employees, the employer is **not an ALE for the current calendar year** →

Not subject to the employer shared responsibility or information reporting provisions for the current year.

Employers who are not ALEs may be eligible for the [Small Business Health Care Tax Credit](#)



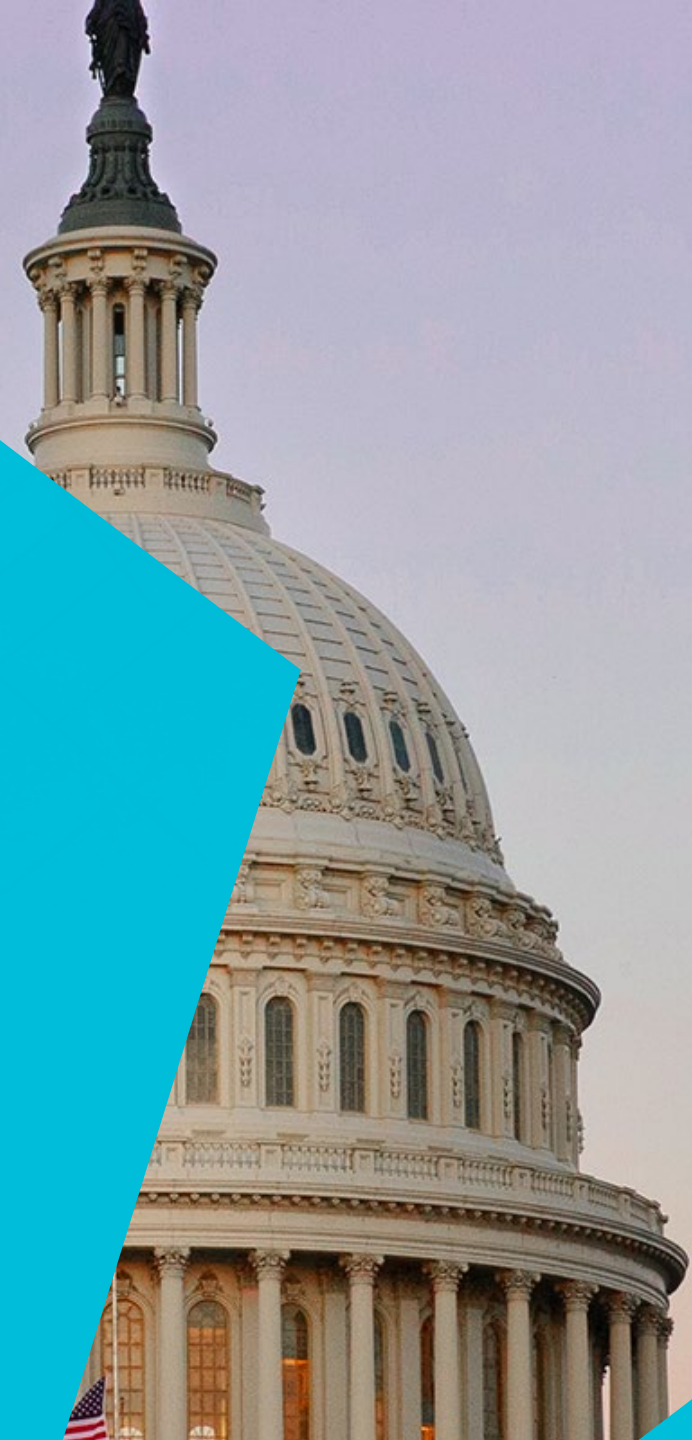
The Affordable Care Act (ACA) 2010

Applicable Large Employer (ALE)

Full-Time Employee & FTE Equivalent

A full-time employee is an employee who is employed, on average, at **least 30 hours of service per week (or 130 hours of service in a calendar month)**.

2 measurement methods – monthly & look-back



The Affordable Care Act (ACA) 2010

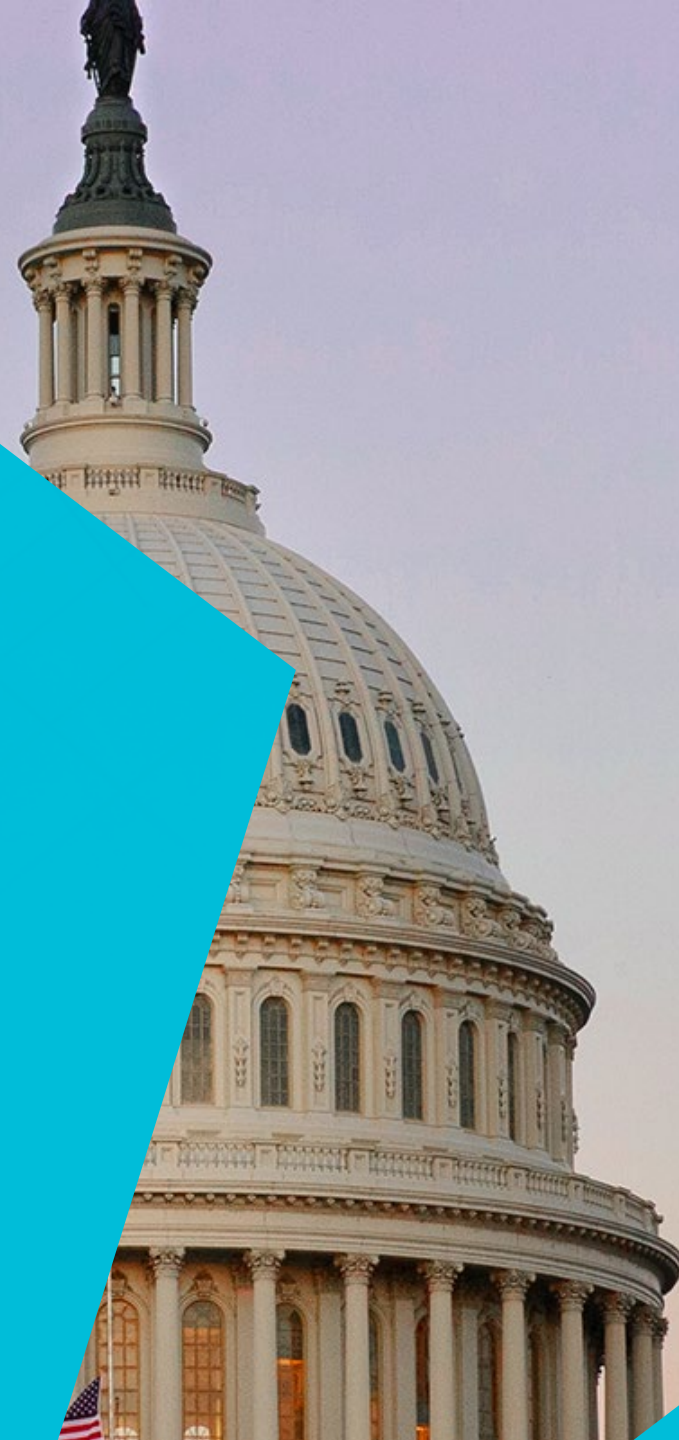
MINIMUM VALUE (MV)

An ER-sponsored plan provides minimum value if **it covers at least 60% of the total allowed cost of benefits expected** to be incurred under the plan.

The plan must provide **substantial coverage** of both 'inpatient hospital services' and 'physician services.'

Determine? → safe-harbor checklist or actuarial certification.

Small Groups → Metal Levels provide MV



The Affordable Care Act (ACA) 2010

AFFORDABILITY

Coverage is **affordable** if the employee's required contribution for self-only coverage does not exceed the **affordability percentage** of the employee's household income.

For 2024, it is 8.39% →

likely lower EE contributions to Plan premiums



The Affordable Care Act (ACA) 2010

AFFORDABILITY

→ “Test”

Applies **only** to the portion of the annual premiums for **self-only coverage** and does not include any additional cost for family coverage. If ER offers multiple health coverage options, the test applies to the **lowest-cost option that provides MV.**

→ “Safe Harbors”

1. Form W-2 wages
2. Rate of pay safe
3. Federal poverty line.



The Affordable Care Act (ACA) 2010

AFFORDABILITY → “Safe Harbors”

An ALE may use 1+ of the safe harbors at its option:

→ **only** if the ALE offers 95 percent of its full-time employees and their dependents the opportunity to enroll in coverage that provides minimum value for the self-only coverage offered to the employee.



The Affordable Care Act (ACA) 2010

AFFORDABILITY → “Safe Harbors”

An ALE may choose to use 1+ safe harbor for all its employees or use different safe harbors for employees in different categories

→ **provided that** the categories used are reasonable and the employer uses one safe harbor on a uniform and consistent basis for all employees in a particular category.



“Pay or Play Penalty”

Under the ACA’s employer shared responsibility provisions, Applicable Large Employers (ALEs) must **either offer** minimum essential coverage that is “affordable” and that provides “minimum value” to their full-time employees (and their dependents), **or** potentially make an employer shared responsibility payment to the IRS.”



An ALE is Subject to Penalties if...

1+ FTEs receive a subsidy for purchasing health coverage through an Exchange.

An individual may be eligible for an Exchange subsidy **either** because the ALE does not offer coverage to that individual **or** offers coverage that is unaffordable **or** does not provide MV.

2024 → A Penalty → \$2,900 (\$2,970)
→ B Penalty → \$4,350 (\$4,460)

*Employer notified via Letter 226j**



ACA Plan Design Pillars

- Cost-Sharing Limits
- Health Flexible Spending Limits
- Excepted Benefits HRA Max
- Maintaining Grandfathered Status
- First-Dollar Preventive Care Coverage

ACA Plan Design Elements

- **Cost Sharing Limits (all NG Plans) → 2024**
 - OOP Limit EHBs →
 - \$9,450 self-only
 - \$18,900 family
 - If HDHP with HSA →
 - OOP max must be lower than ACA limit
 - \$8,050 self-only
 - \$16,100 family
- **Health FSA Max → 2024**
 - \$3,200 contribution
 - \$640 rollover



ACA Plan Design Elements

- **Excepted Benefits HRA**
 - Exempt from ACA Reforms
 - Reimbursement up to \$2,100
- **Grandfathered Plan Status**
 - If will **lose status** → confirm plan includes all ACA patient rights and benefits, including preventive care services without cost-sharing requirements
 - If **maintain status** → provide Notice of Status in plan documents





ACA Annual Reporting

Form 1094/1095 Series

PCORI Fee

Code 6055 or 6056 Reporting → Forms 1094 or 1095 B/C

Who Reports Using Which Form?

- Self-funded plans (Section 6055)
 - Provide MEC (issuers & ERs with SF Plans)
 - Alternate method →
 - “clear & conspicuous” notice on website
 - ALE may not use for FTEs in a SF Plan
- ALEs with either (Section 6056)
 - Fully-insured plans; or
 - Self-funded plans
- ~~Non-ALEs with Fully-insured plans~~

Code 6055 or 6056 Reporting → Forms 1094 or 1095 B/C

2 Annual Requirements:

- Section 6055 (B Forms)
 - File with the IRS
 - Provide statements to individuals
 - Forms 1094-B (transmittal)
 - Form 1095-B (information return)
- Section 6056 (C Forms)
 - File with the IRS
 - Provide statements to individuals
 - Provide statements to FTEs (ALE)*
 - Forms 1094-C (transmittal)
 - Form 1095-C (information return)
- \$310 per return penalty if fail to file

**ALEs with SF plans use a single combined form 1094-C/1095-C to report under both sections*

Form **1094-B**

Transmittal of Health Coverage Information Returns

OMB No. 1545-2252

Department of the Treasury
Internal Revenue Service

Go to www.irs.gov/Form1094B for instructions and the latest information.

2023

1 Filer's name		2 Employer identification number (EIN)	
3 Name of person to contact		4 Contact telephone number	
5 Street address (including room or suite no.)		6 City or town	
7 State or province		8 Country and ZIP or foreign postal code	
9 Total number of Forms 1095-B submitted with this transmittal			



Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature

Title

Date

Form **1095-B**

Department of the Treasury
Internal Revenue Service

Health Coverage

Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095B for instructions and the latest information.

VOID

OMB No. 1545-2252

CORRECTED

2023

Part I Responsible Individual

1 Name of responsible individual—First name, middle name, last name		2 Social security number (SSN) or other TIN	3 Date of birth (if SSN or other TIN is not available)
4 Street address (including apartment no.)		5 City or town	6 State or province
			7 Country and ZIP or foreign postal code
8 Enter letter identifying Origin of the Health Coverage (see instructions for codes): <input type="checkbox"/>		9 Reserved	

Part II Information About Certain Employer-Sponsored Coverage (see instructions)

10 Employer name			11 Employer identification number (EIN)
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider (see instructions)

16 Name		17 Employer identification number (EIN)	18 Contact telephone number
19 Street address (including room or suite no.)	20 City or town	21 State or province	22 Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual.)

(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Form **1094-C**

Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

CORRECTED

OMB No. 1545-2251

Department of the Treasury
Internal Revenue Service

Go to www.irs.gov/Form1094C for instructions and the latest information.

2023

Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer)		2 Employer identification number (EIN)	
3 Street address (including room or suite no.)			
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	
7 Name of person to contact		8 Contact telephone number	
9 Name of Designated Government Entity (only if applicable)		10 Employer identification number (EIN)	
11 Street address (including room or suite no.)			
12 City or town	13 State or province	14 Country and ZIP or foreign postal code	
15 Name of person to contact		16 Contact telephone number	

For Official Use Only



17 Reserved

18 Total number of Forms 1095-C submitted with this transmittal

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions

Part II ALE Member Information

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member

21 Is ALE Member a member of an Aggregated ALE Group? Yes No

If "No," do not complete Part IV.

22 Certifications of Eligibility (select all that apply):

- A. Qualifying Offer Method
 B. Reserved
 C. Reserved
 D. 98% Offer Method

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature

Title

Date

Employer-Provided Health Insurance Offer and Coverage

Do not attach to your tax return. Keep for your records.

Go to www.irs.gov/Form1095C for instructions and the latest information.

VOID

CORRECTED

OMB No. 1545-2251

2023

Part I Employee		Applicable Large Employer Member (Employer)													
1 Name of employee (first name, middle initial, last name)		2 Social security number (SSN)		7 Name of employer						8 Employer identification number (EIN)					
3 Street address (including apartment no.)				9 Street address (including room or suite no.)						10 Contact telephone number					
4 City or town		5 State or province		6 Country and ZIP or foreign postal code				11 City or town		12 State or province		13 Country and ZIP or foreign postal code			
Part II Employee Offer of Coverage			Employee's Age on January 1						Plan Start Month (enter 2-digit number):						
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
14 Offer of Coverage (enter required code)															
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)															
17 ZIP Code															

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 60705M

Form **1095-C** (2023)

Filing Forms 1094 & 1095

If to the IRS (must be electronic*)

- **Due April 1, 2024**
- Auto extension → Form 8809 before due date
- *Paper filing → only ERs with <10 forms
 - **Due February 28, 2024**

If to Individuals:

- **Due March 1, 2024**
- Written statements provided w/in 30 days of 1/31/24 (permanent extension w/out request)





PCORI Fee

Patient Center Outcomes Research Institute (PCORI)

- Due July 31st annually
- Applies to plan years from 10/1/2012 through 10/1/2029
- Calculated? → the average number of lives covered under a specified health insurance policy.
- Fail to pay/when due → 5% of unpaid tax/month (25%max)

Self-funded plans → Use IRS Form 720

- Quarterly Federal Excise Tax Form

Fully-Insured Plans → Insurer pays & reports fee

Fee is \$3.00 or \$3.22 (Plans 11/1/23 – 10/31/24)





ACA Disclosure Requirements

Disclosure Requirements → ACA

- Grandfathered Plan Notice
- Summary of Benefits and Coverage (SBC) & Uniform Glossary
 - Template available
 - SF → plan administrator
 - FI → both plan & issuer (satisfied if either provides)
 - Fail to distribute → \$1,406 per participant penalty
- Provide all new hire with written **Notice of Exchange** → Model Notice
- **Notice of Patient Protection** → Model Notice Designation of PCP

Questions?



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