



Employer Reporting of Health Coverage for Calendar Year 2015

Beginning in 2015, the Affordable Care Act requires certain large employers (defined below) to report information related to their employee's 2015 health coverage to the IRS, and a statement to each covered employee by filing Forms 1094-C and 1095-C. The IRS recently extended the original deadlines for filing these forms to May 31, 2016 and March 31, 2016, respectively.

Under the employer mandate, you can be subject to a penalty if you do not offer affordable minimum essential coverage that provides minimum value to substantially all your full-time employees (and their dependents). For 2015, you must offer coverage to at least 70% of your full time employees, and for 2016, the percentage jumps to 95%. This letter briefly outlines the information you are required to report to the IRS and to your employees for calendar year 2015.

These rules apply if you have 50 or more full-time employees (i.e., "applicable large employers" or ALEs).

You are an ALE if you employed an average of at least 50 full time employees or full time equivalent ("FTE") employees, during the preceding year, or calendar year 2014 to determine 2015 reporting. A full-time employee is an employee that averages at least 30 hours of service per week, or has 130 hours or more of service during a month. A FTE is a combination of part-time employees, and is determined by adding the number of hours of service of the employees who are not full time employees (not more than 120 hours per employee per month), and dividing the total by 120. Add this number to the number of your full time employees to determine if you reach the 50 full time employees threshold.

Health Coverage Alert

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If you are an ALE you must complete Forms 1094-C and 1095-C to report the information about your health coverage and enrollment in health coverage for your employees. For each employee who was a full-time employee for any month of the calendar year you will report the following information:

- the employee's name, social security number (SSN), and address,
- the employer contact and Employer Identification Number (EIN), including the contact person's name and phone number,
- description of the offer of coverage (using one of the codes provided in the instructions) and the months of coverage,

- each full-time employee's share of the cost for coverage under the lowest-cost, minimum-value plan offered by the employer, by calendar month, and
- applicable safe harbor (using one of the codes provided in the instructions) under the employer shared responsibility or employer mandate penalty.

Due to the complexity of the information you are required to report, and the potential employer penalties, your insurance company or benefits administrator should assist you in filing these forms. You are encouraged to furnish and file the forms to meet the extended due dates.

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