

This Webinar Will Start Momentarily.
Thank you for joining us.



ACA Reporting, Are You Ready?

For 2022 Calendar Year Reporting

*Presented By:
Brown & Brown Regulatory and Legislative Strategy Group*



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Forms



Forms 1094-A & 1095-A

Marketplace (exchange)



Forms 1094-B & 1095-B

Issuers, non-ALEs (less than 50 FTE) that are self-insured and ALEs reporting coverage under self-insured plan for non-employees



Forms 1094-C & 1095-C

Applicable Large Employer (ALE)

The Big Picture



ALEs sponsoring self-insured plans

Form 1095-C:
Part I, Part II and
Part III

Form 1094-C



ALEs sponsoring insured plans

Form 1095-C:
Part I and Part II only

Form 1094-C



Non-ALEs sponsoring self-insured plans

Form 1095-B

Form 1094-B

Reporting Deadlines

IRS PROPOSED REGULATIONS

Due Date for Furnishing Forms 1095-B and 1095-C

- An ALE member must furnish a Form 1095-C to each of its full-time employees by March 2, 2023, for the 2022 calendar year.

Alternate Method for Providing Form 1095-B

- Alternative method for furnishing 1095-B forms to participants: By a clear and conspicuous posting on the coverage provider's website, stating that responsible individuals may receive a copy of their statement upon request
- ALEs (Applicable Large Employer) who provide self-insured coverage may also use this relief for individuals covered by the health plan who are not full-time employees. However, ALEs may not apply this alternative method to furnish Forms 1095-C to full-time employees enrolled in the self-insured plan

No Extension of Relief for Good Faith Reporting

- 2020 was the final year in which relief applied

Reporting Deadlines

Form 1095 (Employee/Participant Statement)

- March 2, 2023
 - » Paper delivery
 - » Electronic only if the individual has consented to electronic delivery of the 1095 (in writing)
 - » No additional extensions for furnishing 1095 Forms

Form 1094

- February 28, 2023, if filing on paper
- March 31, 2023, if filing electronically
 - » Electronic filing required for ALE with 250 or more 1095s
 - » Up to a 30-day extension may be requested by filing Form 8809, Application for Extension to File Information Returns prior to original due date



If the due date falls on a **weekend or legal holiday**, then the due date is the **following business day**.

A business day is any day that is not a Saturday, Sunday or legal holiday.

Reporting Penalties

Imposed if reporting deadlines are missed or incorrect information is reported:

- \$290 presumptive penalty for each form (can apply twice if failures relate to IRS submission and individual copy)
- Capped at \$3,532,500 (again, can apply twice)
- Errors corrected on or before 30 days after required filing date = \$50 (\$588,500 calendar year maximum)
- Errors corrected after 30th day but on or before August 1, 2023 = \$110 (\$1,766,000)
- “Good Faith” compliance relief removed (reasonable cause relief may still be available if the filer establishes that the failure resulted either from significant mitigating factors or events beyond the filer’s control)



Form 1095-C



Form 1095-C – Part 1

600120

Form **1095-C**
Department of the Treasury
Internal Revenue Service

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

2020

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	

Last 4 digits for EE
copy only – full
SSN for IRS

Include country

99-9999999

Your number

Form 1095-C – C Line 14

Part II Employee Offer of Coverage	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 125 Code, if any													
17 ZIP													

Do not leave blank

Use if same for all 12 months

Offer of coverage means it was offered for the entire month

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705M Form 1095-C (2020)

- 1A Qualifying Offer
- 1B MEC providing MV offered to EE only
- 1C MEC providing MV offered to EE and dependents only
- 1D MEC providing MV offered to EE and spouse only
- 1E MEC providing MV offered to EE, spouse and dependents
- 1F MEC but not MV
- 1G Offer to employee who was not an FTE and enrolled in self-insured coverage
- 1H No offer
- 1I Reserved
- 1J Spouse carve-out, no dependent offer
- 1K Spouse carve-out, offer to dependents

Form 1095-C – C Line 14

1A	Qualifying Offer: MEC/MV offered to employee, self-only coverage \leq than 9.61% single - 2022 federal poverty line and at least MEC offered to spouse & dependent(s)
1B	Minimum essential coverage providing minimum value offered to employee only
1C	MEC/MV offered to employee and at least MEC offered to dependent(s) (not spouse)
1D	MEC/MV offered to employee and at least MEC offered to spouse (not dependent(s))
1E	MEC/MV offered to employee and at least MEC offered to dependent(s) and spouse
1F	MEC but NOT MV offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents
1G	Offer of coverage to employee who was not full-time for any month of the calendar year and who enrolled in self-insured coverage for one or more months of the calendar year
1H	No offer of coverage (or employee offered coverage that is not MEC)
1I	Reserved
1J	MEC/MV offered to employee and at least MEC conditionally offered to spouse (but no MEC offered to dependents)
1K	MEC/MV offered to employee and at least MEC offered to dependents and at least MEC conditionally offered to spouse

Form 1095-C Individual Coverage HRA (ICHRA)

1L	ICHRA offered to employee only with affordability determined by using employee's primary residence location zip code
1M	ICHRA offered to employee and dependents with affordability determined by using employee's primary residence location zip code
1N	ICHRA offered to employee, spouse and dependents with affordability determined by using employee's primary residence location zip code
1O	ICHRA offered to employee only using the employee's primary employment site zip code affordability safe harbor
1P	ICHRA offered to employee and dependents using the employee's primary employment site zip code affordability safe harbor
1Q	ICHRA offered to employee, spouse and dependents using the employee's primary employment site zip code affordability safe harbor
1R	ICHRA that is not affordable offered to employee, employee and spouse or employee, spouse and dependents
1S	ICHRA offered to an individual who was not a full-time employee
1T	ICHRA offered to employee and spouse (not dependents) with affordability determined using employee's primary residence location ZIP code
1U	ICHRA offered to employee and spouse (not dependents) using employee's primary employment site ZIP code affordability safe harbor

Form 1095-C – C Line 15

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)	\$	\$	Employee share of the lowest cost monthly premium for self-only MV coverage available to that employee				\$	\$	\$	\$	\$	\$	\$
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 (2020)

Leave blank if using Codes 1A, 1F, 1G, 1H, 1R or 1S in box 14

- 1A Qualifying Offer
- 1F MEC but not MV
- 1G Offer to employee who was not an FTE and enrolled in self-insured coverage
- 1H No offer
- 1R Unaffordable ICHRA
- 1S ICHRA offered to non-full-time employee
- If cost is \$0, use \$0
- Use "All 12 Months" if cost does not change and offered all 12 months

Form 1095-C – C Line 16

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													

Indicates whether EE elected coverage, or a proper offer was made or affordability safe harbor, etc.

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

Cat. No. 60705M

Form 1095-C (2020)

Instructions provide an ordering rule for the codes

- 2C Employee enrolled in the coverage
- 2A Employee not employed during the month
- 2B Employee not an FTE (and did not enroll in coverage)
- 2D Employee in a limited non-assessment period
- 2E Multiemployer 4980H interim rule relief
- 4980H(b) affordability safe harbor (2F W-2, 2H rate of pay or 2G FPL)

Leave blank if there is no applicable code

Form 1095-C – C Line 16

2A Employee not employed during the month

2B Employee not a full-time employee, or full-time employment and offer of coverage ended before end of the month

2C Employee enrolled in coverage offered

2D Employee in a section 4980H(b) Limited Non-Assessment Period

2E Multiemployer interim rule relief

2F Section 4980H affordability Form W-2 safe harbor

2G Section 4980H affordability federal poverty line safe harbor

2H Section 4980H affordability rate of pay safe harbor

2I Reserved

Affordability Safe Harbor

2022 Affordability Safe Harbors

- The safe harbor percentage for plan years beginning in 2022 is 9.61% (IRS Rev. Proc. 2021-36)
 - » Decreases to 9.12% for plan years beginning in 2023
- Three affordability safe harbors
 - » The employee's W-2 wages (Box 1) X safe harbor percentage
 - » The employee's rate of pay (hourly wage rate or monthly salary) X 130 hours per month X safe harbor percentage
 - » The single Federal Poverty Line (FPL) (use the number applicable 6-months prior to the beginning of the plan year) X safe harbor percentage
 - In 2022, 2021 FPL is applicable for most plans (e.g., calendar year plans)
 - \$103.15 for 2022 (increases to \$103.28 for many plans in 2023)



2021 single FPL published
February 1, 2021:

48 Contiguous States &
D.C - \$12,880
Alaska - \$16,090
Hawaii - \$14,820

Limited Non-Assessment Period

*2D

- First Year as an ALE Period (January – March)
- Waiting Period under the Monthly Measurement Method
- Waiting Period under the Look-Back Measurement Method
- Initial Measurement Period and Associated Administrative Period under the Look-Back Measurement Method
- Period Following Change in Status that Occurs During Initial Measurement Period Under the Look-Back Measurement Method
- First Calendar Month of Employment (unless coverage offered on first day of the month which is also the first day of employment)



Form 1095-C Part III

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee.

	(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	June	July	Aug	Sept	Oct	Nov	Dec	
18				<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"/>
				<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"/>
				<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"/>
				<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"/>
				<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"/>
22				<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"/>
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"/>

Each individual covered under the plan – including the employee

Each covered individual's SSN

In lieu of SSN

Complete Part III ONLY if self-insured health coverage

- Complete for all employees covered including those not considered full-time under the ACA as well as covered spouses and dependents
- Include SSN (use birthdate per “solicitation rules”)
- Check all months the individual(s) was covered

Self-Insured Employers

Some Part-Time Employees, Former Employees and Other Covered Non-Employees

- Part-time employees that do not work as a full-time employee during any month of the year
- Retirees
- COBRA beneficiaries
- Non-employee directors
 - » No requirement to certify OFFER of coverage, but still must report coverage provided
 - Self-insured sponsors may use either Forms 1094/1095-C or Forms 1094/1095-B
 - If using 1094/1095-C, use Code 1G on line 14



Code 1G goes in the all 12 months column on line 14

COBRA

COBRA for terminated employee:

- Coverage goes to end of the month in which employee terminates (1E, 2C)
- Coverage does not go to the end of the month in which employee terminates (1H, 2B)
- All months following the month in which the employee terminates (1H, 2A)
- COBRA participants who have not been employed at any time during the calendar year (1G)

COBRA for drop-in hours and COBRA is elected:

- For a person who had family coverage and was therefore offered COBRA for self, spouse and dependent(s): (1E, 2C) fill in line 15
- For a person who had self only coverage and was therefore offered COBRA for self only: (1B, 2C) fill in line 15
- For a person who had coverage for self and a dependent and was therefore offered COBRA for self and their dependent: (1C, 2C) fill in line 15
- For a person who had coverage for self and their spouse and was therefore offered COBRA for self and their spouse: (1D, 2C) fill in line 15



COBRA Codes

Use 2B if COBRA is not elected (drop-in hours only – not terminated employees)

Special Rules for HRAs

Self-insured major medical plan and an HRA

- Report only the major medical plan information

Insured major medical plan and an HRA

- Not required to report if the individual is eligible for the HRA because the individual enrolled in the insured major medical plan

HRA must be reported in Part III for any individual who is **not** enrolled in a major medical plan of the ALE Member

- Applicable to the employers with less than 50 FT/FTEs too

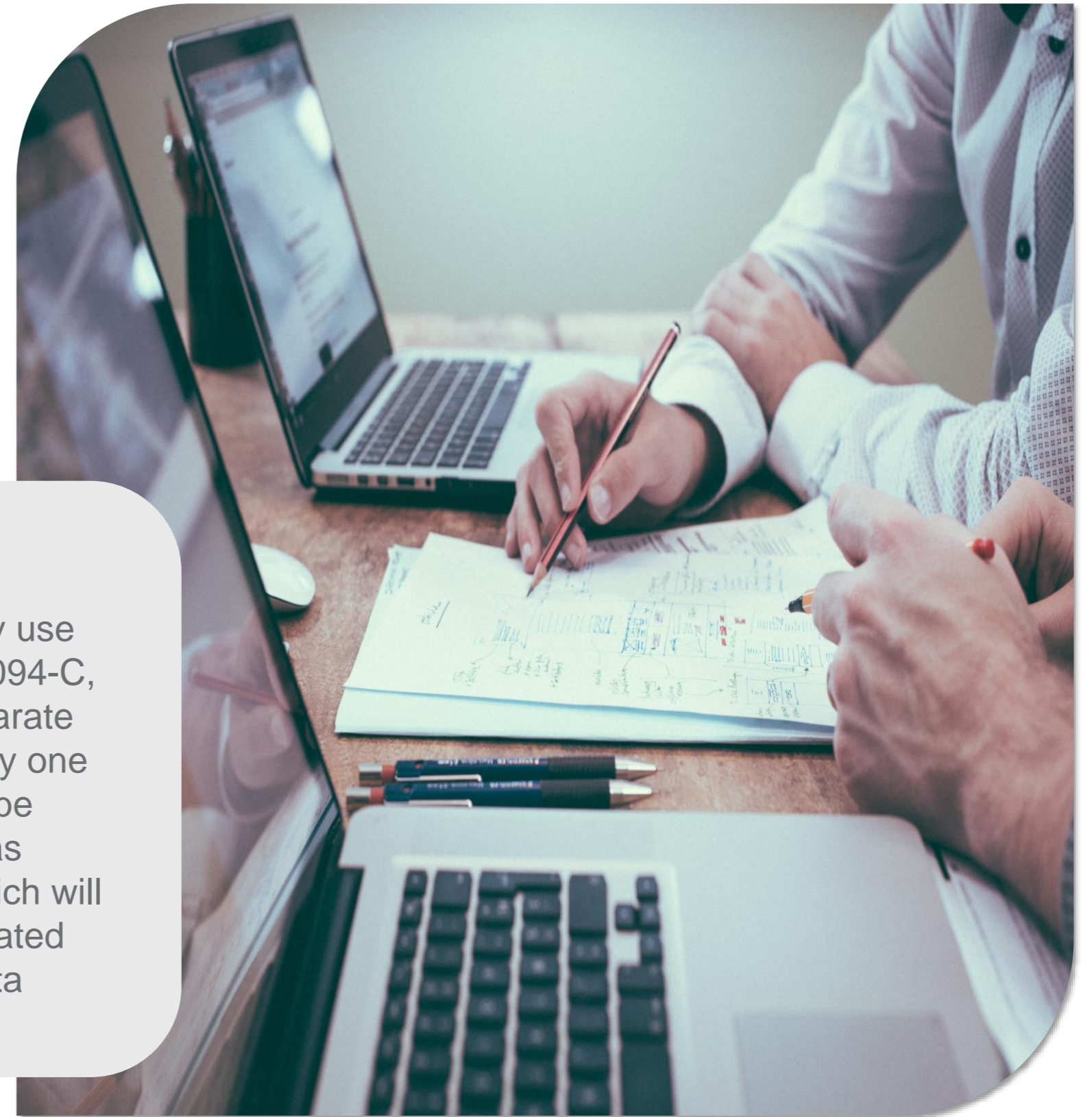


1094-C

- Provides employer information
- IRS uses to determine applicability of Employer Shared Responsibility Penalties



Companies may use more than one 1094-C, such as for separate divisions, but only one 1094-C may be designated as “authoritative” which will contain aggregated company data



Form 1094-C Parts I & II

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 **2020**

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

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 State or province		12 Country and ZIP or foreign postal code	
13 State or province		14 Country and ZIP or foreign postal code	
15 Contact telephone number		16 Contact telephone number	

17 Authority to file this return on behalf of the ALE Member is granted to the preparer of this return. If "Yes," check the box and continue. If "No," see instructions.

18 Authority to file this return on behalf of the ALE Member is granted to the preparer of this return. If "Yes," check the box and continue. If "No," see instructions.

19 Authority to file this return on behalf of the ALE Member is granted to the preparer of this return. If "Yes," check the box and continue. If "No," see instructions.

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

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

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 _____

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 61571A Form **1094-C** (2020)

MEC, MV, FPL Safe Harbor
- Includes offer to spouse and dependents
(Alternate Employee Statement permitted, but not required)

Employer info

Authoritative Transmittal

of 1095s

Controlled group rules

Affordable MV to 98% EE & dep & 1095-C submitted for all 12 months

Form 1094-C Part III

Form 1094-C (2020)

Page 2

Part III ALE Member Information – Monthly

		(a) Minimum Essential Coverage Offer Indicator		(b) Section 4980H Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Reserved
		Yes	No				
23	All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24	Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25	Feb	<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"/>	
30	July	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
31	Aug	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
32	Sept	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
33	Oct	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

Check "All 12 Months" if offered to at least 95% FT employees for entire year

FT employees for each month – do not include EE in Limited Non-Assessment Period

NOT required if 98% offer method is checked on line 22

Include all employees including non-FT employees & employees in a Limited Non-Assessment Period

Check here if Line 21 is checked "yes"

Form 1094-C Part IV

Part IV Other ALE Members of Aggregated ALE Group

Enter the names and EINs of Other ALE Members of the Aggregated ALE Group (who were members at any time during the calendar year).

Name	EIN	Name	EIN
36		51	
37		52	
38		53	
39		54	
40		55	
41		56	
42		57	
43		58	
44		59	
45		60	
46		61	
47		62	
48		63	
49		64	
50		65	

Complete if Line 21 is checked "yes," largest to smallest

State Individual Mandate Reporting

- The IRS due date extensions and reporting relief will not apply to state individual mandate reporting requirements
- Employers with employees working in the following states may face earlier reporting deadlines and will want to ensure they are meeting all state mandated reporting requirements
 - » California
 - » Massachusetts
 - » New Jersey
 - » Washington D.C.
 - » Rhode Island
 - » Vermont

Brown & Brown Regulatory and Legislative Strategy Group recommends employers with questions regarding specific state reporting requirements consult with legal counsel or a tax advisor familiar with the laws of the state in question.

Where to Find the Forms and Other Guidance

2022 Draft Instructions for Forms

- <https://www.irs.gov/pub/irs-dft/i109495c--dft.pdf>
- <https://www.irs.gov/pub/irs-dft/i109495b--dft.pdf>

2022 Forms 1095

- <https://www.irs.gov/pub/irs-pdf/f1095c.pdf>
- <https://www.irs.gov/pub/irs-pdf/f1095b.pdf>

2022 Draft Forms 1094

- <https://www.irs.gov/pub/irs-pdf/f1094c.pdf>
- <https://www.irs.gov/pub/irs-pdf/f1094b.pdf>



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