

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



## ACA Reporting, Are You Ready? For 2024 Calendar Year Reporting

**Presented By:** Christopher Bao and Cindy Niesen Brown & Brown Regulatory and Legislative Strategy Group



## DISCLAIMER

Brown & Brown, Inc. and all its affiliates, do not provide legal, regulatory or tax guidance, or advice. If legal advice counsel or representation is needed, the services of a legal professional should be sought. The information in this document is intended to provide a general overview of the topics and services contained herein. Brown & Brown, Inc. and all its affiliates, make no representation or warranty as to the accuracy or completeness of the document and undertakes no obligation to update or revise the document based upon new information or future changes.







### Forms 1094-A & 1095-A

Marketplace (Exchange)



### Forms 1094-B & 1095-B

Issuers, non-ALEs that are self-insured and ALEs reporting coverage under self-insured plan for nonemployees



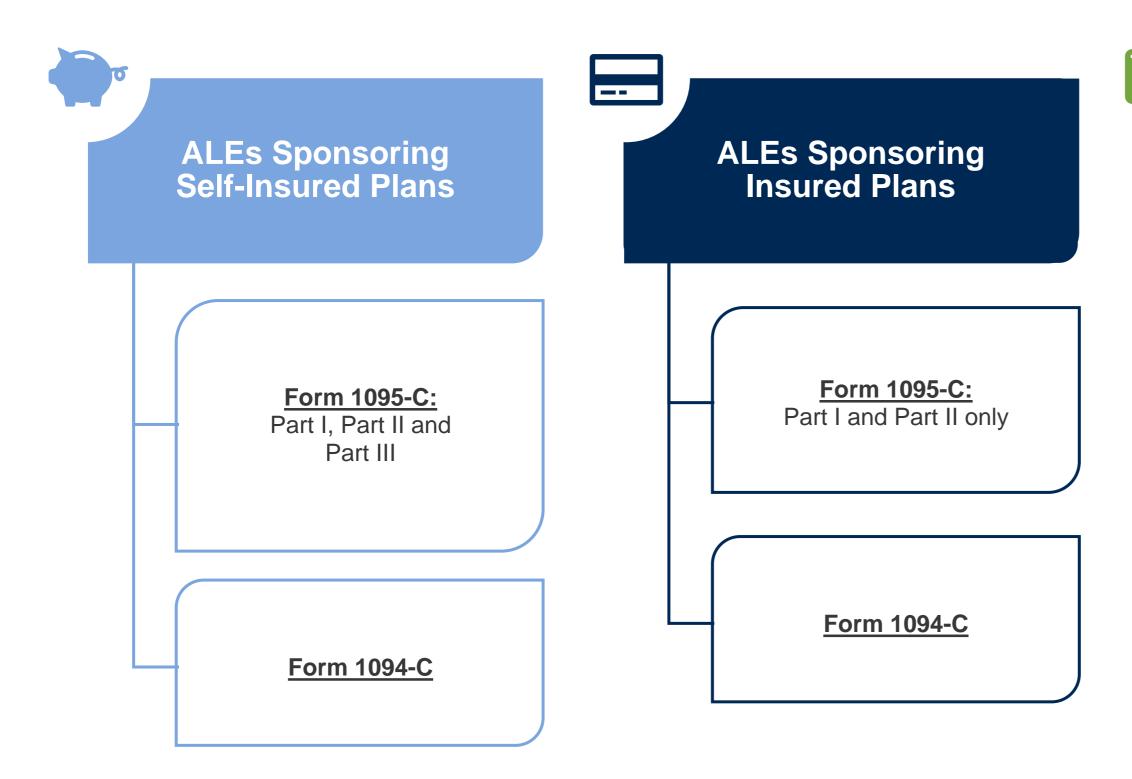


### Forms 1094-C & 1095-C

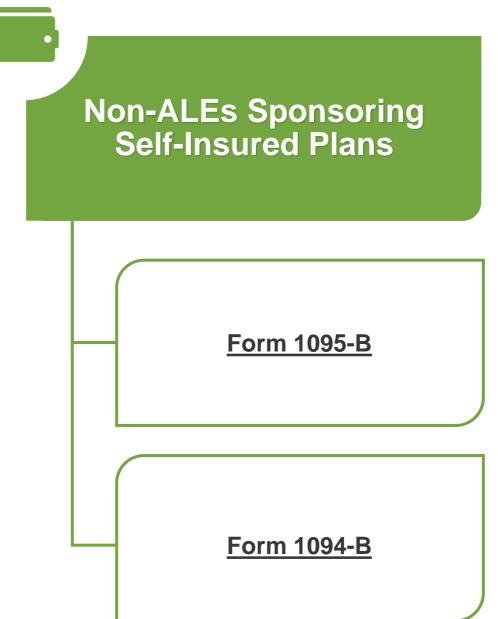
Applicable Large Employer (ALE)

ALE = Employer that employed on average at least 50 FT and FTE employees in prior calendar year

## **The Big Picture**







## **Reporting Deadlines – Statements to Employees**

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

- March 3, 2025 (30 days after January 31, 2025 the deadline falls on a weekend, deadline becomes the next business day) •
- Paper delivery •
  - Electronic only if the individual has consented to electronic delivery of the 1095 (in writing)
  - » No additional extensions for furnishing 1095 Forms
- An ALE member must furnish a Form 1095-C to each of its full-time employees by March 3, 2025, for the 2024 calendar year.
- A non-ALE member sponsoring a self-insured group health plan must furnish Form 1095-B to covered employees by March 3, 2025, • for the 2024 calendar year.

#### Alternate Method for Furnishing Form 1095-B or Furnishing Form 1095-C to Individuals that are <u>not</u> FT EEs

- 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 • that are **not** full-time employees of the ALE (e.g., part-time employees, COBRA participants, retirees). However, ALEs may **not** apply this alternative method when furnishing Forms 1095-C to full-time employees enrolled in the ALE's self-insured plan.



# **Reporting Deadlines**

### FILING WITH IRS

### Deadline to File Forms 1094 and 1095 B/C with IRS

- February 28, 2025, if filing on paper
- March 31, 2025, if filing electronically
  - ALEs/plan sponsors that issue ten (10) or more returns in aggregate (meaning all forms/returns filed with the IRS, including W-2s, 1099s, etc.) *must* file the Forms 1094-B/C and 1095-B/C electronically.
  - » Up to a 30-day extension may be requested by filing Form 8809, Application for Extension to File Information Returns prior to the 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 furnishing and/or reporting deadlines are missed or incorrect information is furnished/reported:

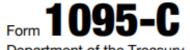
- \$330 penalty for each form (can apply twice if failures relate to IRS submission and individual copy)
- Capped at \$3,987,000 (again, can apply twice) for businesses with gross receipts > \$5 million/\$1,329,000 for small businesses
- Errors corrected on or before 30 days after required filing date = \$60 (\$664,500/\$232,500 calendar year maximum)
- Errors corrected after 30<sup>th</sup> day but on or before August 1, 2025= \$130 (\$1,993,500/\$664,500 calendar year maximum)
- "Good Faith" compliance relief no longer applies (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)







### PART 1



### **Employer-Provided Health Insurance Offer and Coverage**

Department of the Treasury Internal Revenue Service

Part I Employee

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

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

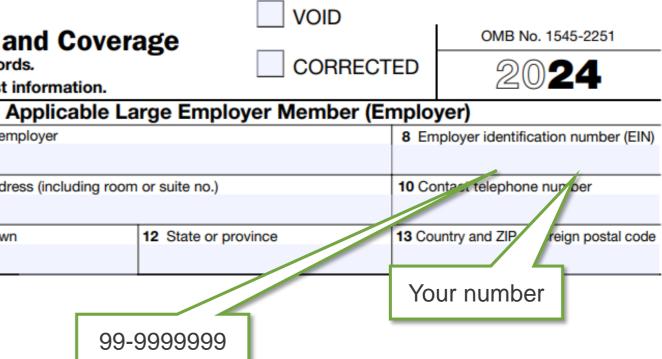
Applicable Large
iddle initial last name)

2 Social security number (SSN)

7 Name of employer

				-
1 Name of employee (first name	, middle initial, last name)	2 Social security number (SSN)	7 Name of employer	
3 Street address (including apart	tment no.)		9 Street address (including room	n or suite no
4 City or town	5 State or province	ntry and ZIP or foreign postal code	11 City or town	12 State
	Last 4 digits for EE			
	copy only – full SSN for IRS	Include country	99-	999999





**C LINE 14** 



_													
Part II Emp	noyee Offer	r of Covera	age		Employee's	s Age on J	anuary 1		Plan Star	t Month (er	nter 2-digit n	umber):	
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Other Relief ( Me	Offer of coveans it was r the entire	offered		se if sam for 12 month		\$	\$	\$	\$	\$	\$	\$	\$
17 ZIP Code													
For Privacy Act a	nd Paperworl	k Reduction A	Act Notice, see	e separate ir	nstructions.			Cat. N	lo. 60705M			Form	1095-C (2024)



### C LINE 14

1A	Qualifying Offer: MEC providing MV offered to employee that is affordable under FPL safe harbor and
1B	Minimum essential coverage providing minimum value offered to employee only
1C	MEC providing MV offered to employee and at least MEC offered to dependent(s) (not spouse)
1D	MEC providing MV offered to employee and at least MEC offered to spouse (not dependent(s))
1E	MEC providing 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, spou
1G	Offer of coverage to employee who was not full-time for any month of the calendar year and who enror the calendar year
1H	No offer of coverage (or employee offered coverage that is not MEC)
11	Reserved
1J	MEC providing MV offered to employee and at least MEC conditionally offered to spouse (but no MEC
1K	MEC providing MV offered to employee and at least MEC offered to dependents and at least MEC co



nd at least MEC offered to spouse & dependent(s)

ouse and dependents

rolled in self-insured coverage for one or more months of

EC offered to dependents)

conditionally offered to spouse

### INDIVIDUAL COVERAGE HRA (ICHRA)

1L	ICHRA offered to employee only with affordability determined by using employee's primary residence
1 <b>M</b>	ICHRA offered to employee and dependents with affordability determined by using employee's prima
1N	ICHRA offered to employee, spouse and dependents with affordability determined by using employee
10	ICHRA offered to employee only using the employee's primary employment site zip code affordability
1P	ICHRA offered to employee and dependents using the employee's primary employment site zip code
1Q	ICHRA offered to employee, spouse and dependents using the employee's primary employment site
1R	ICHRA that is not affordable offered to employee, employee and spouse or employee, spouse and de
1S	ICHRA offered to an individual who was not a full-time employee
1 <b>T</b>	ICHRA offered to employee and spouse (not dependents) with affordability determined using employe
1U	ICHRA offered to employee and spouse (not dependents) using employee's primary employment site



- ce location zip code
- ary residence location zip code
- ee's primary residence location zip code
- ty safe harbor
- de affordability safe harbor
- e zip code affordability safe harbor
- dependents
- yee's primary residence location ZIP code
- te ZIP code affordability safe harbor

### C LINE 15

Part II Emp	loyee Offe	r of Cove	erage		Employe	e's Age on J	lanuary 1		Plan Star	r <b>t Month</b> (e	nter 2-digit n	umber):	
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)			Employee	share of th									
5 Employee Required			lowest co	ost monthly	y								
Contribution (see nstructions)	\$	\$	premium foi			\$	\$	\$	\$	\$	\$	\$	\$
<b>16</b> Section 4980H Safe Harbor and Other Relief (enter code, if applicable)			coverage av emp	vailable to a	that								
7 ZIP Code													
	nd Paperwor	k Reductio	on Act Notice, se	e separate in	structions	).		Cat.	No. 60705M			Form	1095-C (20

#### 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

- 1R Unaffordable ICHRA
- 1S ICHRA offered to non-full-time employee
- If cost is \$0, use \$0

• 1H No offer



• Use "All 12 Months" if cost does not change and offered all 12 months

### C LINE 16

Part II Emp	oloyee Offe	r of Cove	rage		Employee's	s Age on Ja	anuary 1		Plan Star	t Month (e	nter 2-digit n	umber):	
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
<ul> <li>15 Employee Required Contribution (see instructions)</li> <li>16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)</li> </ul>	\$	\$	not subject (e.g., empl the offer of	to a pena loyee is in affordable	E elected co Ity for failing an initial me e coverage ( mployee wa	to offer ar easuremen subject to	n individual it period), c the afforda	coverage r despite bility safe		\$	\$	\$	\$
17 ZIP Code													
For Privacy Act a	and Paperwor	k Reductio	n Act Notice, se	e separate i	nstructions.			Cat. N	lo. 60705M			Form	1095-C (2024

#### 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 ٠
- FPL)

Leave blank if there is no applicable code



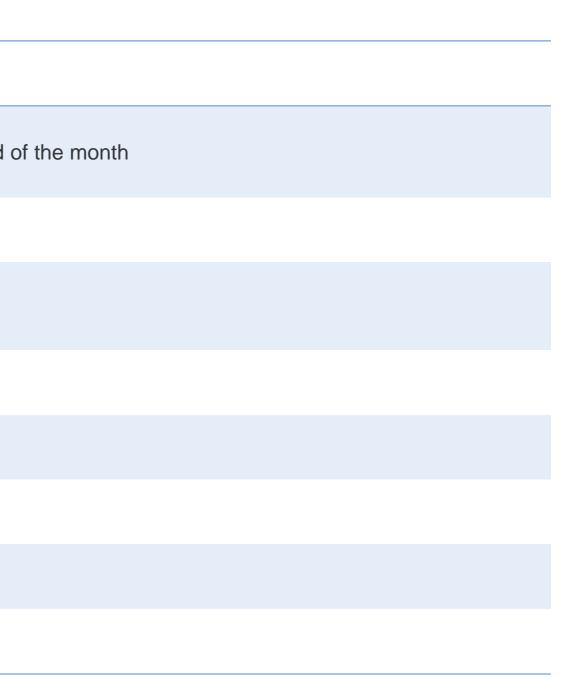
• 4980H(b) affordability safe harbor (2F W-2, 2H rate of pay or 2G



### 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
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
21	Reserved





# Affordability Safe Harbor

### 2024 Affordability Safe Harbors

<ul> <li>2024 IS 8.39% (IRS Rev. Proc. 2023-29)</li> <li>Increases to 9.02% for plan years beginning in 2025</li> <li>Three affordability safe harbors</li> <li>The employee's W-2 wages (Box 1) X safe harbor percentage</li> <li>Compare to annual employee cost of coverage (self-only under lowest cost option providing MV)</li> <li>The employee's rate of pay (hourly wage rate) X 130 7/17</li> </ul>	•	Codes 2F, 2G and 2H	<b>»</b>	The single
<ul> <li>Increases to 9.02% for plan years beginning in 2025</li> <li>Three affordability safe harbors         <ul> <li>The employee's W-2 wages (Box 1) X safe harbor percentage</li> <li>Compare to annual employee cost of coverage (self-only under lowest cost option providing MV)</li> <li>The employee's rate of pay (hourly wage rate) X 130 7/17 hours per month X safe harbor percentage</li> <li>Compare to monthly employee cost (self-only under lowest cost option providing MV)</li> <li>Use monthly salary X safe harbor percentage</li> </ul> </li> </ul>	•			the plan ye
for salaried employees		<ul> <li>» Increases to 9.02% for plan years beginning in 2025</li> <li>• Three affordability safe harbors</li> <li>» The employee's W-2 wages (Box 1) X safe harbor percentage <ul> <li>Compare to annual employee cost of coverage (self-only under lowest cost option providing MV)</li> </ul> </li> <li>» The employee's rate of pay (hourly wage rate) X 130 hours per month X safe harbor percentage <ul> <li>Compare to monthly employee cost (self-only under lowest cost option providing MV)</li> <li>We monthly salary X safe harbor percentage</li> </ul> </li> </ul>		<ul> <li>For application</li> <li>Contraction</li> <li>\$10° plan</li> <li>8.39</li> <li>7/17</li> <li>\$10° beging</li> </ul>
		tor salahed employees		



**2023 single FPL:** 48 Contiguous States & D.C - \$14,580 **2024 single FPL:** 48 Contiguous States & D.C - \$15,060 **Alaska -** \$18,210 **Alaska -** \$18,810

gle Federal Poverty Line (FPL) (use the r applicable 6 months prior to the beginning of n year) divided by 12 X safe harbor tage

or coverage offered in 2024, 2023 FPL was pplicable for most plans (e.g., calendar year lans)

compare to monthly employee cost (self-only nder lowest cost option providing MV)

101.94 per month for 2024 calendar year lan year (U.S. mainland) [\$14,580 ÷12 X .39%] (plan years beginning before /17/2024

105.29 per month for 2024 plan years eginning on or after 7/17/2024 (U.S. nainland [\$15,060 ÷12 X 8.39%]

### 10Hawaii - \$16,77010Hawaii - \$17,310

## **Limited Non-Assessment Period**

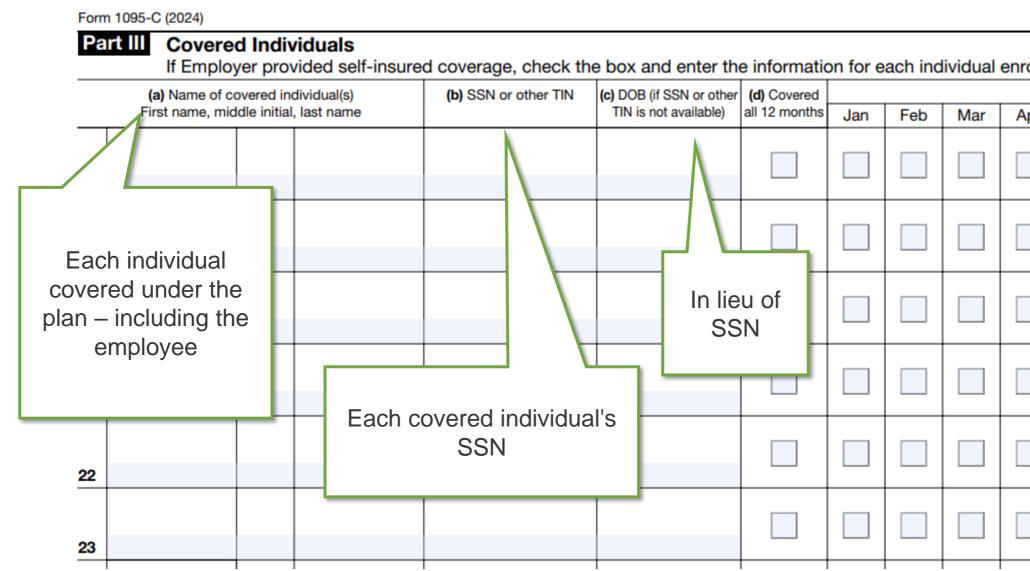
### CODE 2D

- First Year as an ALE Period (January March) ٠
- Waiting Period under the Monthly Measurement Method ٠
- Waiting Period under the Look-Back Measurement Method •
- Initial Measurement Period and Associated Administrative Period ۲ under the Look-Back Measurement Method
- Period Following Change in Status that Occurs During Initial ٠ Measurement Period Under the Look-Back Measurement Method
- First Calendar Month of Employment (unless coverage offered ٠ on first day of the month which is also the first day of employment)





## Form 1095-C Part III



#### **Complete Part III ONLY if self-insured health coverage**

- Complete for all covered employees (including any employees not considered full-time) along with any covered spouses/dependents that are enrolled in the employer's self-insured medical coverage
- •

#### P00350 Page 3

olle	d in cov	verage,	includir	ng the e	employe	e.		
	(e)	Months	of covera	ge				
pr	May	June	July	Aug	Sept	Oct	Nov	Dec

Include SSN (use birthdate per "solicitation rules") • Check all months the individual(s) was covered

## **Self-Insured Employers**

### Reporting for Certain Covered Part-Time Employees, Covered Former Employees and Other Covered Non-Employees

- Includes the following individuals who were not a full-time employee during any month of the year
  - » Part-time employees
  - » Retirees
  - » COBRA beneficiaries
  - » Non-employee directors
- No requirement to certify OFFER of coverage, but ALE must still report individuals that are covered under the medical plan
  - 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 if individual was a non-FT employee that was covered under the medical plan for all 12 months of the calendar year





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

## COBRA

#### **COBRA for terminated employee:**

- Month of termination:
  - » Coverage is offered to employee, spouse and dependents and active coverage goes to end of the month in which employee terminates (1E or 1A depending on offer of coverage (to dependents and spouse) and affordability safe harbor used), 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 for any day in any month during the • calendar year (1G)

#### COBRA for reduction in hours and COBRA is elected:

- For an employee who enrolled in family coverage and was therefore offered COBRA for self, spouse and dependent(s): (1E, 2C) fill in line 15
- For an employee who only enrolled themselves in coverage, and therefore was the only individual that was offered COBRA coverage: (1B, 2C) fill in line 15
- For an employee who enrolled themselves and a dependent in coverage and was therefore • offered COBRA for self and their dependent: (1C, 2C) fill in line 15
- For an employee who enrolled themselves and their spouse in coverage, and therefore was • offered COBRA for self and their spouse: (1D, 2C) fill in line 15





### **COBRA Waived**

### Reduction in hours

- Use 2B if COBRA is not • elected and employee is no longer a full-time employee
- Use affordability codes (if applicable) if employee remains a FT employee

## **Special Rules for HRAs**

#### Self-insured major medical plan and an HRA

• Report only the major medical plan information and need not report the HRA

#### Insured major medical plan and an HRA

• Not required to report on coverage under the HRA 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 <u>not</u> enrolled in a major medical plan of the employer

- Applicable to employers with less than 50 FT/FTEs too (i.e., non-ALEs)
- Includes employees enrolled in their spouse's major medical plan but covered under the employer's HRA





## **1094-C**

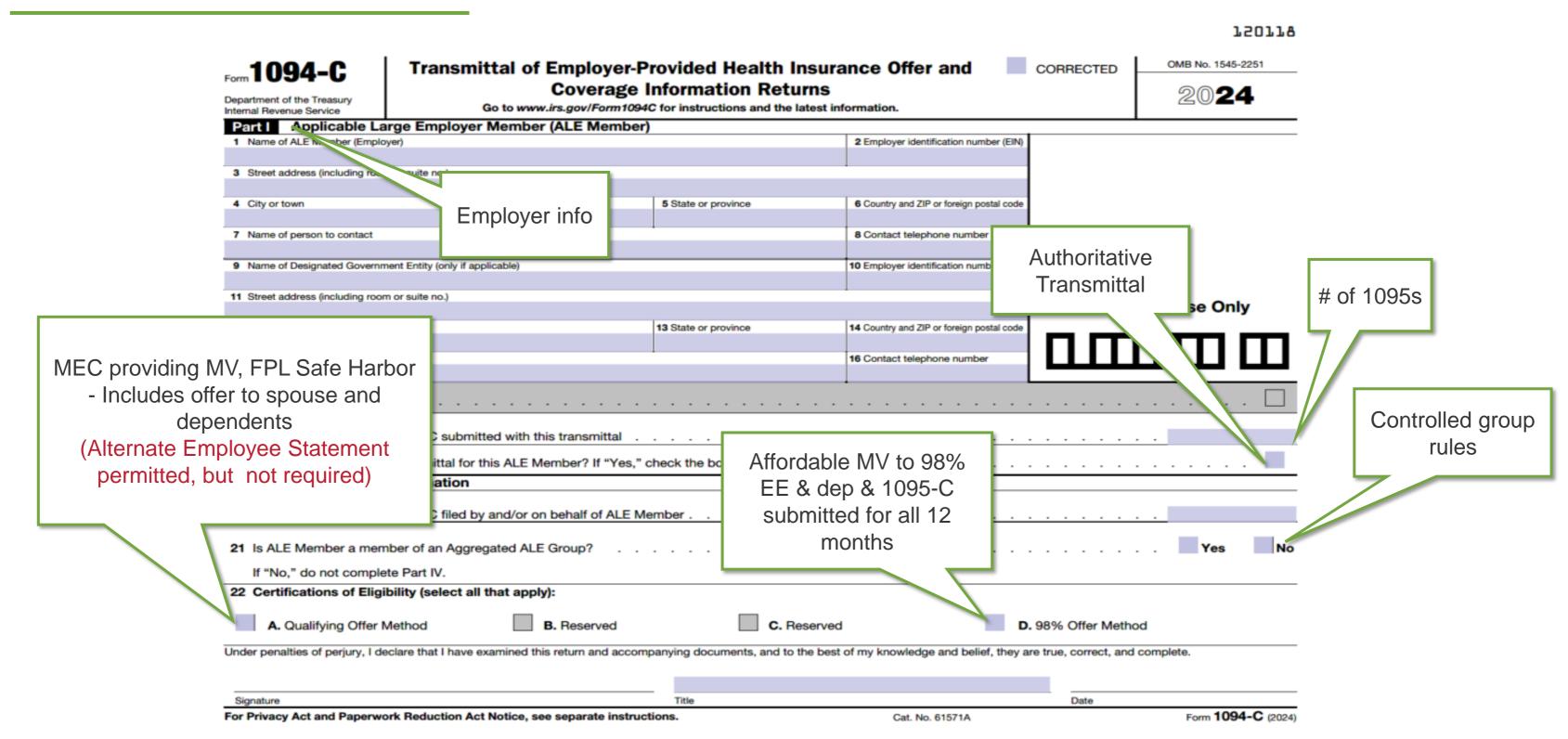
- Provides employer information
- IRS uses to determine applicability of Employer Shared Responsibility Penalties



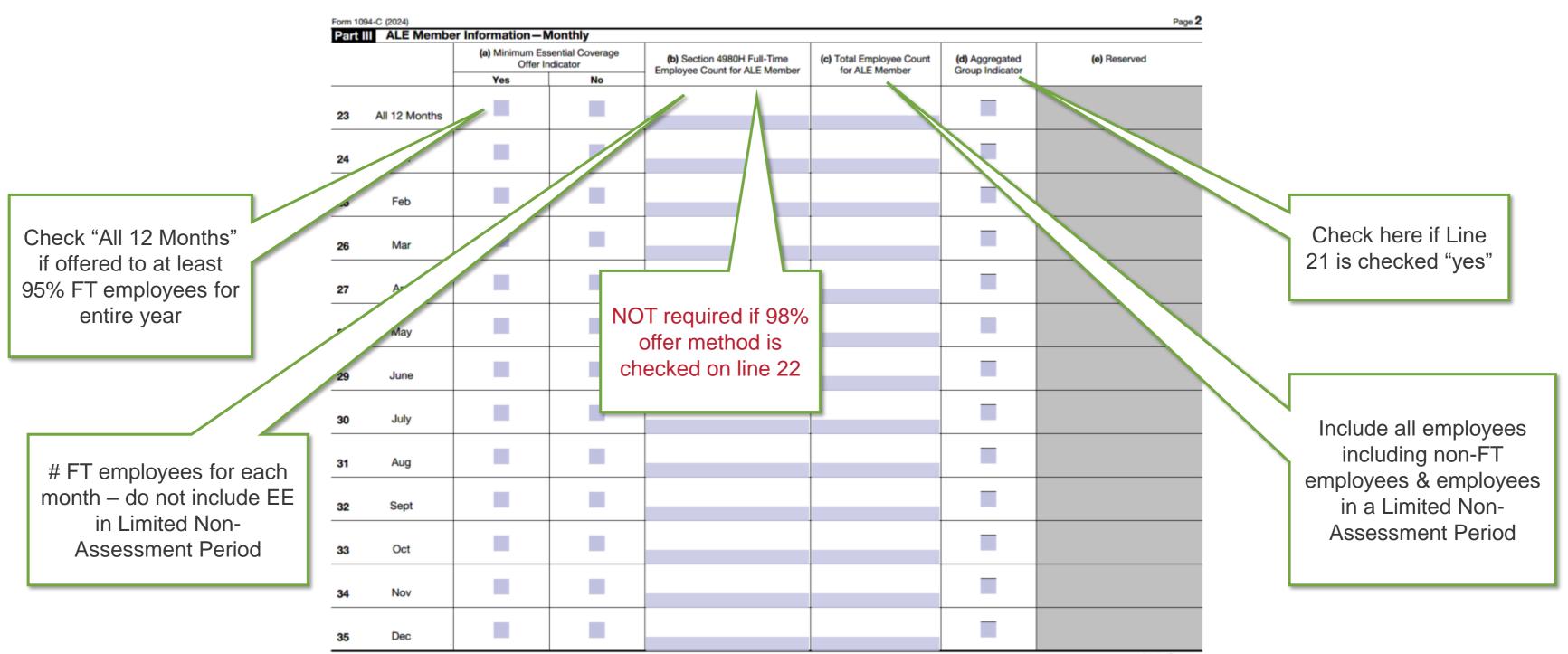
Companies may use more than one 1094-C, such as for separate divisions, but only one 1094-C may be designated as "authoritative" which will contain aggregated company data.



## Form 1094-C Parts I & II



## Form 1094-C Part III





#### 150519

Form 1094-C (2024)

## Form 1094-C Part IV



#### 15031P

g the calendar year).	
ame	EIN

Form 1094-C (2024)

## **State Individual Mandate Reporting**

- IRS due date extensions and reporting relief will **<u>not</u>** automatically apply to state individual mandate ٠ 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 that 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

### **2024 Instructions for Forms**

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

### 2024 Forms 1095

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

### 2024 Forms 1094

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







This Program, ID No. 682916, has been approved for 1.00 HR (General) recertification credit hours toward aPHR<sup>™</sup>, aPHRi<sup>™</sup>, PHR<sup>®</sup>, PHRca<sup>®</sup>, SPHR<sup>®</sup>, GPHR<sup>®</sup>, PHRi<sup>™</sup> and SPHRi<sup>™</sup> recertification through HR Certification Institute<sup>®</sup> (HRCI<sup>®</sup>).

Brown & Brown is recognized by SHRM to offer Professional Development Credits (PDCs) for SHRM-CP<sup>®</sup> or SHRM-SCP<sup>®</sup>. This program is valid for 1 PDCs for the SHRM-CP or SHRM-SCP. Activity ID No. 24-YG6NN. For more information about certification or recertification, please visit www.shrmcertification.org.







# Brown & Brown

Find your solution at **BBrown.com** 

DISCLAIMER: Brown & Brown, Inc. and all its affiliates, do not provide legal, regulatory or tax guidance, or advice. If legal advice counsel or representation is needed, the services of a legal professional should be sought. The information in this document is intended to provide a general overview of the topics and services contained herein. Brown & Brown, Inc. and all its affiliates, make no representation or warranty as to the accuracy or completeness of the document and undertakes no obligation to update or revise the document based upon new information or future changes.

© 2024 Brown & Brown. All rights reserved.