The Expatriate Health Coverage Clarification Act of 2014 does not exempt applicable large employers from the employer mandate or employer reporting requirements.

Reporting basics
To monitor compliance with the individual and employer mandates, the Patient Protection and Affordable Care Act (PPACA) requires reporting by employers and insurers.

Large employer reporting – employer mandate
All employers subject to the employer mandate (i.e., employers with 50 or more full-time employees and/or full-time equivalents) are required to annually report to the IRS on the coverage offered to their full-time employees and their dependent children.* This reporting will be completed on IRS Form 1095 by February 28 (March 31 if filed electronically) following the applicable calendar year. A copy of the form or alternative statement that includes the identical data must also be provided to their full-time employees by January 31.

* The Expatriate Health Coverage Clarification Act of 2014 does not exempt applicable large employers from the employer mandate or employer reporting requirements.
Large employer reporting data to report

The IRS Form 1095-C requires reporting of the following information:

› Employer contact and Employer Identification Number (EIN), including contact person’s name and phone number
› Year for which information is reported
  - Certification that full-time employees and dependents were offered an opportunity to enroll in Minimum Essential Coverage (MEC), by calendar month
› For each full-time employee, months for which MEC was available
› 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
› The number of full-time employees for each month during the calendar year
› Name, address and Social Security Number (SSN) of each full-time employee and the months of coverage, if any

A single Form 1094-C must accompany the set of Forms 1095-C when filing to the IRS.

Large employer reporting penalties

Employers that do not submit an annual IRS return or provide individual statements to all full-time employees may be subject to a penalty up to $100 per return, with a maximum annual penalty of $1.5 million.

Waivers are available when failure to report is due to a reasonable cause. Limited relief is also available for returns and statements filed or furnished in 2016 (for 2015 coverage) if incorrect or incomplete information is reported.

Minimum Essential Coverage (MEC) reporting – individual mandate

Employers sponsoring self-insured group health plans, and health insurers, must report on the minimum essential coverage they provide for all covered individuals starting in 2015. These employers and insurers must confirm – during every tax season – that the coverage satisfied the individual mandate requirements for any or all months during the preceding calendar year or reportable tax year. This reporting is required for all size group plans and private individual/family plans.

Reporting is not required for supplemental benefits, if the supplemental coverage is provided by the same plan sponsor, or if coverage supplements government-sponsored plans, like Medicare supplemental coverage.

- Statement to insured person (not dependents)
- May use truncated SSN
- May combine with other tax information, i.e., W-2 and 1099
- Due by January 31 each year

- IRS Form 1095-C for applicable large employers
- IRS Form 1095-B for insurers and small employers with self-insured plans
- Electronic filing is required if reporting entity files at least 250 forms
- Due by February 28 each year (electronic filing by March 31)
Reasonable efforts to obtain individual identification

The IRS requires that the Tax Identification Number (TIN), which is usually the Social Security Number (SSN) be used to identify individuals on the IRS reports. Employers and insurers may not always have this information. The rules require that employers and insurers make reasonable efforts to obtain the SSN.

The rules state that the reasonable efforts mean asking for SSNs up to three times before any annual filing. Enrollment can count as the first request as long as there is a field or place to provide the SSN/TIN. The other two attempts for obtaining SSNs are generally required by December 31 of that same year and December 31 of the following year.

If enrollment counts toward the first attempt for obtaining SSN/TIN, then the second and third outreach are required within specified time frames.

› Enrollment that takes place before December, including enrollment for non-calendar-year plans, must be followed by a second solicitation for SSNs/TINs by December 31 of that same calendar year.
› If enrollment takes place in December, the second attempt to obtain the SSN/TIN must take place by the following January 31.
› The third and final attempt to obtain SSN/TIN must take place by December 31 of the following year.

If all three attempts are made, and SSNs/TINs are still not available, employers sponsoring self-insured plans and insurers must use date of birth to help the IRS confirm identity.

Minimum Essential Coverage data to report

The IRS Forms, 1095-C for employers, and 1095-B for insurers and small employers with self-insured plans, include fields and codes to report information such as the following:

› Reporting entity contact and Employer Identification Number (EIN), including contact person's name and phone number
› Year for which information is reported
› Name, address and SSN/TIN for most “responsible individuals” or policy holder
› Name and SSN/TIN of each covered individual
› Months that each named individual was covered during the calendar year
› For insured group health plans, name, address and EIN of employer sponsoring plan
› Whether coverage is through the SHOP exchange, and the SHOP’s unique identifier

For large employers, a single Form 1094-C must accompany the set of Forms 1095-C when filing to the IRS. For insurers and small employers with self-insured plans, a single Form 1094-B must accompany the set of Forms 1095-B when filing to the IRS.
Specifications for providing individual statements on Minimum Essential Coverage

Statements are only required to be sent to the “responsible individual” named on the IRS return, which in most cases is the full-time employee. The statement may be either a copy of the return filed with the IRS or a substitute statement that includes all the same data of each covered individual. Truncated SSNs may be used on the individual statements.

Statements must be sent by first class mail to the last known address by January 31 following the year of coverage. Electronic statements can be provided given the responsible individual has consented or opted-in for this form of statement. They must also be allowed to opt out at any given time. There are a number of additional requirements when utilizing electronic distribution of statements, including, but not limited to, safeguards for providing written statements upon withdrawal of consent, inclusion of explicit disclosure statements, and additional rules when posting statements to a secure website.

Minimum Essential Coverage reporting penalties

Responsible employers or insurers that do not submit an annual IRS return or provide individual statements to covered individuals may be subject to penalties of up to $100 per return, with a maximum annual penalty of $1.5 million.

Waivers are available when failure to report is due to a reasonable cause. Limited relief is available for returns and statements filed or furnished in 2016 (for 2015 coverage) if incorrect or incomplete information is reported.

Reduced penalties are available if returns are corrected and filed within 30 days of the required filing date and by August 1 following any tax season. There is no cutoff for correcting annual returns.