



ACA Annual Reporting

Dear Valued Client,

The Affordable Care Act (ACA) will not only impact large employers, it will also impact employees of large employers. You may have started to receive questions about Form 1095-C from your employees.

To help keep your staff informed and reduce the number of questions you may receive on the topic, HR Knowledge has created a template for an Affordable Care Act overview that is available for your use. We encourage you to share this educational information with all your full-time employees.

Template Communication: An Overview of What the New ACA Information Form Means for You

What is the Affordable Care Act?

The Affordable Care Act (ACA) is a law designed, in part, to extend access to affordable health care coverage to more Americans. It enables consumers — you — to be more in charge of your health care options than ever before.

2016 is the first year for required employer annual health care reporting to the government

Starting in 2016, large employers with 50 or more full-time, including full-time equivalent, employees are required to report information to the IRS about whether or not they offered full-time employees* affordable health care coverage and information about that coverage. **Employers are required to submit two new forms annually:**

- **Form 1094-C** (*Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*) to the IRS
- **Form 1095-C** (*Employer-Provided Health Insurance Offer and Coverage*) to the IRS and to each full-time employee. This form shows whether your employer offered health insurance coverage and for how long

What this means for you

A new form coming to your mailbox

1. If applicable, your employer will distribute Form 1095-C on or about March 31, 2016. Employees who were full-time for one or more months during 2015 will receive Form 1095-C.
2. Form 1095-C, unlike a W-2, does not need to be filed with your taxes for 2015; however, you may need information from the form to complete your income tax return, so retain it for your reference.

What do I do with Form 1095-C?

Keep this form with the materials you give to your tax preparer. If you prepare your own taxes, you may need to refer to this information as you complete your tax return.

Should I wait for the form to prepare my income tax return?

In most cases, you do not need to wait for Form 1095-C in order to file your U.S. Individual Income Tax Return (IRS Form 1040, 1040A, or 1040EZ). Most employees will know whether they had health coverage for a month and can simply check the box on their tax return to attest that they, their spouse (if filing jointly), and any eligible dependents had “minimum essential coverage” throughout the year.

Under what circumstances would I need the information on Form 1095-C to file my U.S. Individual Tax Return?

Only if:

- You received an advance premium tax credit or wish to take the premium tax credit on your return; or
- You had a gap in coverage of more than three consecutive months.

What if I don't receive Form 1095-C from my employer by March 31?

Not all employers will furnish Form 1095-C. Only large employers — those with an average of 50 or more employees — are required to furnish them.

In some instances, you may also receive Form 1095-B from your insurance carrier that will contain information similar to Form 1095-C.



For more information about Form 1095-C, contact your Human Resources representative.

Additional Information

For additional information about Form 1095-C, visit [ADP's website](#). For ACA compliance requirements, click [here](#) or go to the [IRS website](#).

*Part-time employees and even some non-employees also may receive Form 1095-C if they are covered under a self-insured plan.