

Action Required: Changes to ACA Annual Reporting in 2017

The Affordable Care Act (ACA) not only affects large employers, but it affects their employees as well. You may have already started to receive questions about Form 1095-C from your employees.

For 2017, the due dates for distributing Form 1095-C to employees and for filing this form with the IRS have both been moved to earlier dates compared to last year's dates. Form 1095-C must be distributed to employees by **March 2, 2017 (recently extended from the original date of January 31)**. These forms, along with any other ACA reporting forms such as 1094-B, 1094-C, and 1095-B, must be submitted to the IRS by **February 28, 2017**, if filing by paper, or **March 31, 2017**, if filing electronically.

To help keep your staff informed and reduce the number of questions you may receive on the topic, HR Knowledge has created the following template to use as an ACA overview. We encourage you to share this educational information with all your full-time employees. We have also prepared a Q&A about the different ACA forms, which you can view by [clicking here](#).

Template Communication: Overview of What the ACA Forms Mean 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.

Required employer annual health care reporting to the government

Large employers with 50 or more full-time, including full-time equivalent, employees are required to report information to the IRS about whether they offered full-time employees* affordable health care coverage and information about that coverage. **Employers are required to submit two 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. This form may assist in preparing a tax return, it is not required to file your return.

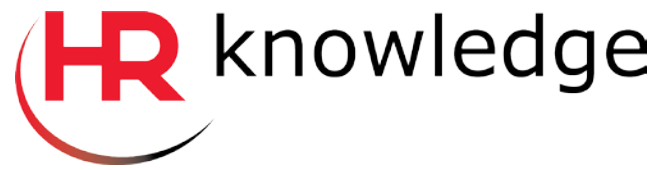
What this means for you

Watch your mailbox

1. If applicable, your employer will distribute Form 1095-C on or about March 2, 2017. Employees who were full-time for one or more months during 2016 will receive Form 1095-C.
2. Form 1095-C, unlike a W-2, does not need to be filed with your taxes for 2016; 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 to file your US 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 US 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 2?

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, which provides details about the health insurance coverage you elected, including who in your family was covered. This form is not required to be submitted with your tax return—keep it for your tax records.

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 may receive Form 1095-C if they are covered under a self-insured plan.

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this advisory, please contact HR Knowledge at 508.339.1300 or [email us](#).