

## EMPLOYEE BENEFITS ALERT

### AFFORDABLE CARE ACT UPDATE: HEALTHCARE REPORTING FOR EMPLOYERS

Beginning in 2016, many employers will need to report on the healthcare coverage offered and provided to employees in 2015. These new healthcare reporting requirements can be found under Internal Revenue Code (“Code”) §§ 6055 and 6056. The information required to be tracked and reported depends on the size of the employer and what type of healthcare coverage, if any, the employer provides to its employees.

Small employers with less than 50 full-time and full-time equivalent employees (as determined under Code § 4980H, also known as the employer shared responsibility rules) are generally not subject to the new healthcare reporting requirements. The exception is, if a small employer self-insures its healthcare coverage, it must track and report on each employee and any dependents that were enrolled in the healthcare coverage on a monthly basis.

Large employers with over 50 full-time and full-time equivalent employees must track and report whether each full-time employee and his or her dependents were offered healthcare coverage that is affordable and provides minimum value (also as determined under Code § 4980H) for each month in the year. In addition, if a large employer offers self-insured health coverage, the employer must track and report on each employee and any dependents that were enrolled in the healthcare coverage on a monthly basis.

Many employers will also need to track and report on the number of full-time employees per month, total employees per month, and the premium amount an employee would need to pay per month for self-only coverage.

There are some simplified reporting options that may allow employers to forego reporting on premium amounts and/or full-time employees status. For example, employers that offer affordable, minimum value coverage to 98% of reportable employees will be able to report without identifying which employees are full-time.

Generally, reports will be provided on the Forms 1095-C and 1094-C. Reports must be provided to both the IRS and the applicable employees early in 2016. The IRS allowed for optional reporting in 2015, and the IRS has released the final forms and instructions that may be used for such optional reporting. It’s likely that the forms and instructions will remain largely the same for 2016 reporting.

The IRS also released a summary of the monthly tracking requirements for large employers, which you may find at: <http://www.irs.gov/pub/irs-pdf/p5196.pdf>

Form 1095-C and instructions may be found at: <http://www.irs.gov/uac/About-Form-1095-C>

Form 1094-C and instructions may be found at: <http://www.irs.gov/uac/About-Form-1094-C>

*The Employee Benefits Alert is intended to keep readers current on matters affecting employee benefits and is not intended to be legal advice. If you have any questions about this alert or any other issues relating to employee benefits, please contact **Sandra Mihok** at 412.566.1903, **Kathryn English** at 412.566.1226, **Heather Stone Fletcher** at 412.566.6112, **Michael Herzog** at 412.566.6130, or **Paul Yenerall** at 412.566.1944.*