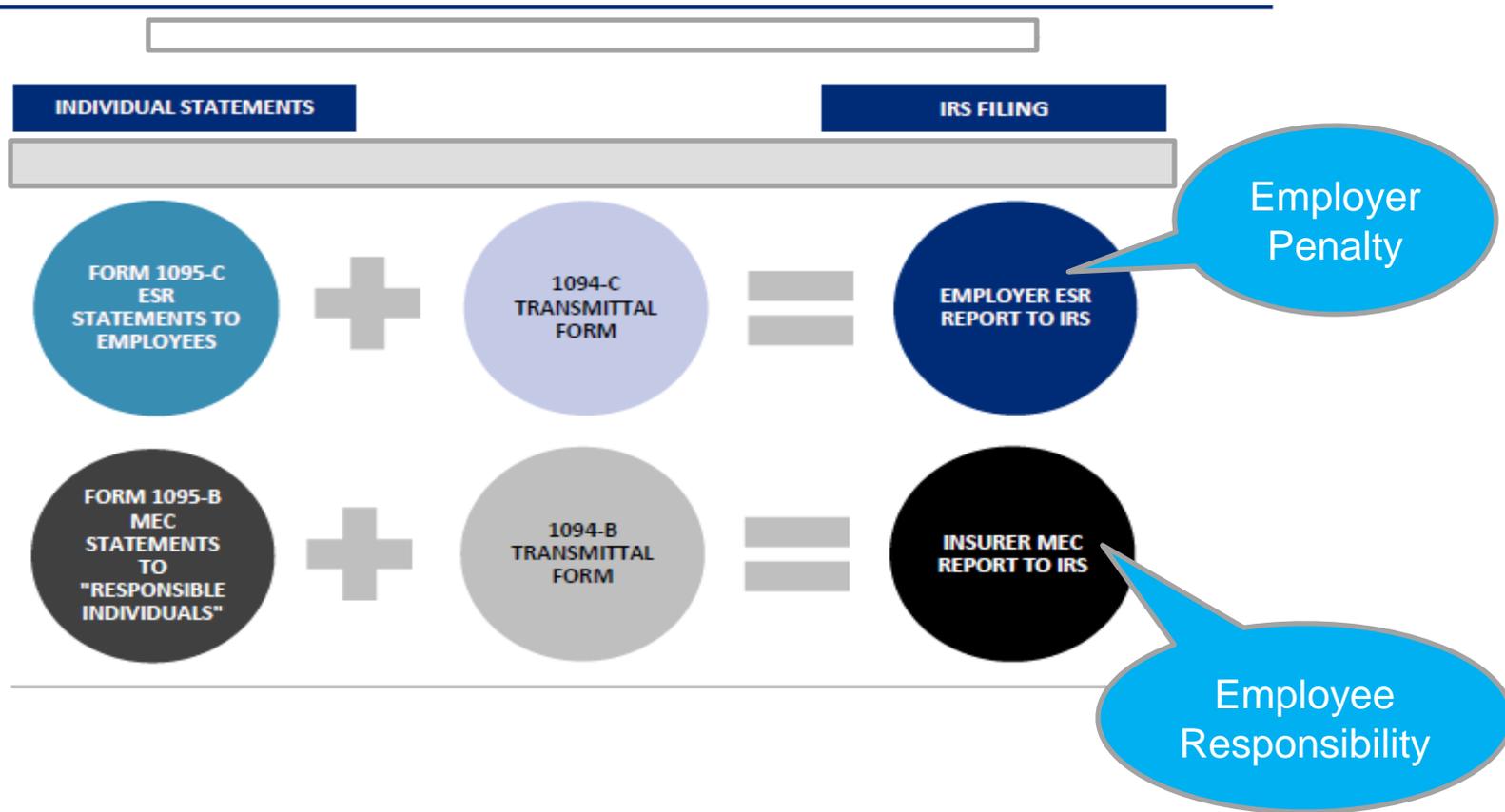


Affordable Care Act

A guide for Departments



New ACA Tax Reporting



New Employee Reporting

Commonwealth Forms: Mailing By 02/1/16

(The IRS mailing deadline has been extended to March 31, 2016)

- Employer Shared Responsibility (ESR) IRS Form 1095-C
Proof of offer of Insurance to ACA Full Time Employees
 - ▶ Full Time for any month of the year
- Minimal Essential Coverage (MEC) IRS Form 1095-B
 - ▶ GIC Plans provide MEC Coverage to those whom are eligible
 - ▶ Employee and Beneficiaries coverage
 - ▶ Reporting entities – potentially an employee may receive multiple reports, depends on employee's healthcare coverage
 - ▶ GIC will issue forms for Self Insured Plans: Tufts, Unicare and Harvard plans
 - ▶ Fully insured plans will issue theirs directly: Fallon, Health New England and Neighborhood Health plans



What Forms & When

- Four Forms:
 - W-2 Available Online Now; paper forms should start arriving this week
 - 1095 – C Online view for HR/CMS- Notice will be sent when available; paper forms should start arriving in early February
 - 1095 – B No Online ability; paper forms Mid-February
 - 1099 HC No online view; paper forms began to arrive last week



1095-C Substitute Form

New ACA 1095- C Tax Reporting

600116

VOID

CORRECTED

OMB No. 1545-2251

2015

Form 1095-C

**Employer
Provided
Health
Insurance
Offer and
Coverage**

**For Privacy
Act and
Paperwork
Reduction
Act Notice,
see separate
instructions.**

Department of the
Treasury -- IRS

Part I APPLICABLE LARGE EMPLOYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Part II Employee Offer and Coverage			
<p>Information about Form 1095-C and its separate instructions is at www.irs.gov/form1095c.</p> <p>EMPLOYEE'S name, address, ZIP/postal code & country</p> <p>APPLICABLE LARGE EMPLOYER'S identification number (EIN) EMPLOYEE'S social security number (SSN)</p>		Plan Start Mo. (Enter 2-digit no.):	14 Offer of Coverage (enter required code)	15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	16 Applicable Section 4980H Safe Harbor (enter code, if applicable)
		All 12 Months		\$	
		Jan		\$	
		Feb		\$	
		Mar		\$	
		Apr		\$	
		May		\$	
		June		\$	
		July		\$	
		Aug		\$	
		Sept		\$	
		Oct		\$	
		Nov		\$	
Dec		\$			

Part III Covered Individuals		If Employer provided self-insured coverage, check the box and enter the information for each covered individual.															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 mos.	(e) Months of coverage													
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
17																	
18																	
19																	
20																	



Who will Get 1095-C

- Employees who work 30 or more hours on average a week or 130 or more a month during a measurement period
- First Measurement period was July – December 2014
- Once measured, keep status until next measurement period or termination
- Employees hired after 7/2/14 will have an initial measurement period of 12 months
- If employee does not meet the definition of ACA Full Time during the year, they will NOT get a form



What will be on the form?

Part I Similar to W-2 - Standard Information

Part II

- Box 14 – Did the employee have an offer of insurance
- Box 15 – What is the lowest cost employee self coverage
- Box 16 – Is Box 15 coverage “affordable” based on “Safe Harbors”
- There will be NO information on coverage for employee and dependents in **Part III** – Instead employees and dependents will get a form 1095-B from GIC or Health Provider



Code Definitions

Box 14 Code Description		BOX 16 Code Description	
1E	Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.	2C	Employee enrolled in coverage offered
		2H	Section 4980H affordability rate of pay safe harbor.
1H	No offer of coverage (you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage). All months are populated including months prior to hire or after termination.	2A	Employee Not Employed during the month
		2B	Employee not a full-time employee.
		2D	Employee in a section 4980H(b) Limited Non-Assessment Period.



Box 14: 1E - Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse

- Only used for employees who are in a benefit plan and are offered health insurance. For GIC coverage, new hires are not offered until waiting period is over; during waiting period they will have a code of 1H.
- If in 1E, employees can only be in Box 16 code of 2C (Enrolled) or 2H (Declined and Offered Affordable Coverage) – Box 15 – Lowest Cost



Box 14: 1H - No offer of coverage (you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage). All months are populated including months prior to hire or after termination.

- Used for All Full Time (130 hours a month) non-benefitted employees **AND** any month not employed **(2A)**; or not full time **(2B)**; or still in an assessment period (wait period or measurement period) **(2D)**
- **ACA Full Time and not offered insurance and no “safe harbor” will have a blank in box 16– and a potential tax penalty**



- Data for measuring hours and GIC Coverage is here:

Troubleshooting

Favorites ▾ Main Menu ▾ > Commonwealth of MA ▾ > Benefits ▾ > Maintain Benefits ▾ > GIC Status

ORACLE

MA GIC Status | MA Job Status | MA ACA Hours | MA ACA Monthly Prorated Hours

GIC Employee Status Find | View All First 1 of 1 Last

Empl ID: *Effective Date: 01/01/2015

Name: Kevin McHugh ACA Status: Eligible

GIC Insurance Eligibility: Eligible Override GIC Eligibility Overridden: N

*GIC Insurance Election: Decline

Last Update User ID: UNICNTER Updated on: 03/12/2015 8:57:15PM

Save Return to Search Notify Update/Display Include History Correct History



- Data to determine information on the 1095-C form:

Troubleshooting

ACA Employee Eligibility

Kevin McHugh Employee ID

Affordable Care Act Common ID ACA Commonwealth of Massachusetts

Eligibility Information Find | View All First 1 of 1 Last

*Effective Date <input type="text" value="01/01/2015"/>	Effective Sequence <input type="text" value="0"/>
*ACA Eligibility Status <input type="text" value="Eligible"/>	<input type="checkbox"/> Non-Assessment Period
Average Service Hours <input type="text" value="37.500"/>	Work Period <input type="text" value="Weekly"/>
Calculation Method <input type="text" value="Look Back"/>	Measurement Period <input type="text" value="28.00"/>
Evaluation Begin Date <input type="text" value="06/29/2014"/>	Evaluation End Date <input type="text" value="12/27/2014"/>
Administration Begin Date <input type="text"/>	Administration End Date <input type="text"/>
Stability Begin Date <input type="text" value="01/01/2015"/>	Stability End Date <input type="text" value="12/31/2015"/>

ACA Calculation Hours Personalize | Find | First 1 of 1 Last

Empl Record	Company	Description	Total Hours
<input type="text" value="0"/>	<input type="text" value="COM"/>	Commonwealth of Massachusetts	<input type="text" value="975.00"/>

Total Eligibility Hours 975.00

Last Update User ID UNICNTER Updated on 10/30/2015 12:00:00AM



How is this information used?

- We do not provide tax advice to employees, however the IRS instructions and Forms are available:

Other Taxes	57	Self-employment tax. Attach Schedule SE	57		
	58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58		
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59		
	60a	Household employment taxes from Schedule H	60a		
	60b	b First-time homebuyer credit repayment. Attach Form 5405 if required	60b		
	61	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	61		
	62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) _____	62		
63	Add lines 56 through 62. This is your total tax ▶	63			

- Line 61 on Form 1040 and Form 8965 <https://www.irs.gov/pub/irs-pdf/i8965.pdf>

– Must I wait to file until I receive these forms?

If you are expecting to receive a Form 1095-A, you should wait to file your 2015 income tax return until you receive that form. However, it is not necessary to wait for Forms 1095-B or 1095-C in order to file.

Some taxpayers may not receive a Form 1095-B or Form 1095-C by the time they are ready to file their 2015 tax return. While the information on these forms may assist in preparing a return, they are not required. Individual taxpayers will generally not be affected by this extension and should file their returns as they normally would.

Like last year, taxpayers can prepare and file their returns using other information about their health insurance. You should not attach any of these forms to your tax return.

<https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-about-Health-Care-Information-Forms-for-Individuals>



What is next?

- ▶ Communication with FAQs
 - ▶ See Draft Notice to employees
 - ▶ FAQ's posted here:
 - ▶ <http://www.mass.gov/osc/business-functions/payroll-lcm/calendar-of-events.html>
- ▶ Correction reporting to the forms
- ▶ In 2016 – Online reporting via Employee Self Service Consent process



To: All Employees
From: Department HR/Payroll
Date: January xx, 2016
RE: New Tax Reporting Information: Form 1095-C

Tax Year 2015 is the first individual reporting year required by the Federal Affordable Care Act, (ACA). Employers (applicable large employers – 50 or more employees) are required to issue 1095 forms to their full time employees, defined as regularly working 30 hours or more a week or 130 hours or more a month. If you are new to the Commonwealth or you work less than 30 hours each week, this does not pertain to you.

Under ACA definitions Commonwealth full time employees will be receiving up to 4 different tax forms for 2015. If you have worked in more than 1 Commonwealth department during 2015 you will receive only one instance of each applicable form.

- W-2's have been mailed.
- The Massachusetts required health care form 1099-HC will be mailed from health care providers on or before February 1st 2016. (Due to January 31st falling on a Sunday, postmark must be on or before February 1st for 2015 tax forms).

For ACA there are 2 new forms, 1095-B and 1095-C, which will also be expected to be postmarked on or before February 1st 2016.

- The Form 1095-B is an IRS document indicating that the employee had health insurance coverage considered Minimum Essential Coverage during the 2015 tax year
- The Form 1095-C is an IRS document for full time employees which indicates the status of the offer and coverage of employer provided health insurance



The 1095-C form will have instructions for the codes for box 14 which are printed on the back of the 1095-C form. There are also codes used in box 16.

These are the codes generally used by the Commonwealth:

Box 14 Code Description For Those Offered Insurance		BOX 16 Code Description	
1E	Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse.	2C	Employee enrolled in coverage offered
		2H	Section 4980H affordability rate of pay safe harbor.
Box 14 Code Description For Those Not Offered Insurance		BOX 16 Code Description	
1H	No offer of coverage (you were NOT offered any health coverage or you were offered coverage that is NOT minimum essential coverage). All months are populated including months prior to hire or after termination.	2A	Employee Not Employed during the month
		2B	Employee not a full-time employee.
		2D	Employee in a section 4980H(b) Limited Non-Assessment Period.

Box 15, ACA requires that the value listed will be the Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage, and that amount is displayed from the plans offered to you, based on your home Zip Code, whether or not it was the plan you chose.

Part III of the form will be blank for all employees. Proof of Enrollment will be on separate form 1095-B issued by GIC or Health Provider.

While you should keep all tax forms received for your records, you should NOT attach, or send, Forms 1095 B and C to the IRS or DOR.

Additional FAQ's are posted here. (need link)

If you have any questions regarding ACA part-time or full-time status or regarding the offer of coverage please contact XXXXX in your department, extension XXXX.

If you have any questions regarding Minimal Essential Coverage or Form 1095-B please contact GIC at 617.727.2310 ext 1. Your payroll office and other departments cannot provide individual tax advice.



IRS Reporting – Data Transmissions Due By 6/30/16

- ▶ Employer Shared Responsibility (ESR)
 - ▶ 1094-C includes Summary and detail data

- ▶ Minimal Essential Coverage (MEC)
 - ▶ GIC Plans provide MEC Coverage and Includes Employee and Beneficiaries coverage
 - ▶ IRS Form 1094-B Reporting entities
 - ▶ GIC – Self Insured Plans coverage
 - ▶ Fully insured plans



Questions?

