WEBINAR TAKEAWAYS: SHARED RESPONSIBILITY REPORTING



#### **Employer Shared Responsibility**

Applicable Large Employers (ALEs: Employ 50+ full-time employees) are required to offer minimum essential coverage (affordable & minimum value) to full-time employees.

## United States Code (USC)

Section 6000A: Individual Mandate Section 4980H: Employer Mandate

#### **Penalties:**

**4980H(a):** Penalty for not offering minimum essential coverage to full-time employees

**4980H(b):** Penalty for offering minimum essential coverage deemed not to be affordable or not providing minimum value

#### **IRS Code**

#### Section 6055: Details Coverage reporting

Every provider of minimum essential coverage will report coverage info to IRS (file information return & furnish statement to participants)

#### Section 6056: Details Offer of Coverage reporting

Requires ALEs to file information returns w/ the IRS + provide statements to full-time employees about the health coverage offered

#### **Penalties:**

IRS determines if employers owe a penalty for not providing mandated coverage / are entitled to a subsidy to purchase through an Exchange

# **Coverage Reporting (§6055)** Required of any entity providing minimum essential covearge to an individual

- Fully-insured: Completed by insurance carrier
- Self-insured: Completed by employer

### Offer Reporting (§6056) Required of all ALEs, even if they don't offer coverage

• Always done on Forms 1094C & 1095C

#### Terminology

1094: Summary forms → go to IRS
1095: Individual employee forms → go to employees AND to IRS

B: Coverage reporting

**C:** Offer of Coverage reporting (Except for Selfinsured ALEs: C=BOTH Coverage & Offer reporting.)

## Filing Responsibilities by Employer Type

	1094B	1094C	1095B	1095C
Fully-Insured ALE	Insurance carrier completes and sends to IRS	Employer completes and sends to IRS	Insurance carrier completes and sends to IRS & employees	Employer completes Parts I & II ONLY and sends to IRS & employees
Self-Insured ALE	Not required	Employer completes and sends to IRS	Not required	Employer completes Parts I, II & III and sends to employees (Required for full-time employees + all other covered individuals)
Fully-Insured Non-ALE	Insurance carrier completes and sends to IRS	Not required	Insurance carrier completes and sends to IRS & employees	Not required
Self-Insured Non-ALE	Employer completes and sends to IRS	Not required	Employer completes and sends to IRS & employees	Not required



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