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Affordable Care Act (ACA) Employer Provisions





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Determining ALE Status

- An employer is considered an ALE if it has 50 or more full-time employees or full-time equivalent employees
- Number of employees and their hours of service in preceding year determines ALE status for the current year
- Common ownership and controlled groups



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Determining FTEs

- Full-time employee = at least 30 hours a week
- Full-time Equivalent = hours non-full-time employees worked divided by 120
- Seasonal employee
- Military coverage, including Tricare or Veterans' coverage





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Information Reporting Requirements for ALES

- Requires ALEs to file an information return to report health care coverage offered to the employer's full-time employees for the calendar year
 - Applies to employers who are subject to the employer shared responsibility provisions (§4980H)
- Information is used to (1) administer the employer shared responsibility provisions (§4980H) and (2) determine an employee's eligibility for the premium tax credit





ALE Information Reporting Forms

- 1094-C (Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns):
 - Employer name, address, EIN, and contact information
 - # of 1095-Cs submitted
 - ALE member information
- 1095-C (Employer-Provided Health Insurance Offer and Coverage):
 - Employee name, TIN, and address
 - Employer name, EIN, and contact information
 - Offer of coverage (by month)
 - Covered individuals





Due dates to employees and IRS

Required for calendar year 2015 (filed in 2016) and beyond

- Furnished to Employee by January 31
- Filed with the IRS by February 28 (March 31 if filed electronically)





Filing – Paper / Electronic (AIR)

- Paper filing available only if submitting fewer than 250 information returns
- Must electronically file if submitting 250 or more information returns
- Details on Information Return filing preparation is on [IRS.gov](https://www.irs.gov) (search term ‘AIR’)
- AIR Publications and page





Employer Shared Responsibility Payment

Liability exists if employer:

- Does not offer coverage to at least 95% of FT employees (and their dependents) and at least one FT employee receives the PTC

OR

- Does offer to 95% of FT employees (and their dependents), but at least one FT employee receives the PTC because, for that full-time employee, coverage was
 - not offered
 - unaffordable, or
 - did not provide minimum value





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Definition of Affordability and Minimum Value

- Affordability
- Affordable if employee's share of lowest cost self-only coverage does not exceed 9.5% of household income
- Three employer "safe harbors"
- Minimum value
- Covers at least 60% total cost of benefits



Amount of ESRP

- Offer to less than 95% (70% for 2015)
 - Payment of 1/12 of \$2,000 (adjusted annually) per FT employee, above 30 threshold (per month)
- Offer to at least 95%
 - Payment of 1/12 of \$3,000 (adjusted annually) per PTC-receiving FT employee, (per month), subject to limitation





ESRP Assessment and Payment

- Employer will not make a payment with a return
- IRS will determine amount and notify employer
- Employer will have opportunity to respond before assessment
- IRS will send a notice and demand after assessment





ACA Provisions for Large and Small Employers

- Health coverage provider reporting requirements – Section 6055
 - All self-insured employers (including self-insured ALEs) are subject to these reporting requirements
- W-2 Reporting requirement
- Additional Medicare Tax withholding





Small Business Health Care Tax Credit

- Eligible employers
- SHOP requirement
- Amount of the credit
- Available for two consecutive years
- How to claim the credit
- Other information





ACA Web Resources

The screenshot shows the IRS website's 'Affordable Care Act Tax Provisions' page. At the top, there is a navigation bar with 'Filing', 'Payments', 'Refunds', 'Credits & Deductions', 'News & Events', 'Forms & Pubs', 'Help & Resources', and 'for Tax Pros'. A search bar and 'Advanced' link are also present. The main heading is 'Affordable Care Act Tax Provisions'. Below this, there is a section for 'Affordable Care Act (ACA) Tax Provisions' with a 'Learn more' button. A sidebar on the left lists 'Affordable Care Act Topics' including 'Individuals and Families', 'Employers', 'ALE Info Center', 'Tax Professionals', 'What's Trending', 'News', 'Health Care Tax Tips', 'Questions and Answers', 'List of Tax Provisions', 'Legal Guidance and Other Resources', and 'Affordable Care Act Tax Provisions Home'. The main content area includes a 'New Forms' section with a checkmark icon and a 'Forms and Publications' section with a list of forms: Form 8955, Form 8962, and Publication 5137.

The screenshot shows the HealthCare.gov website's 'Small Business Health Options Program (SHOP)' page. The top navigation bar includes 'HealthCare.gov', 'Individuals & Families', 'Small Businesses', 'Log In', and 'Español'. Below this, there are links for 'For Employers', 'For Employees', and 'Get Answers'. A search bar is located on the right. The main heading is 'Offer quality, affordable coverage to your employees any time'. Below this, there is a section for 'Businesses with 50 employees or fewer can offer Small Business Health Options Program (SHOP) plans to their employees, starting any month of the year.' Two green buttons are visible: 'FOR EMPLOYERS' and 'FOR EMPLOYEES'. At the bottom, there is a section for 'SELL HEALTH INSURANCE TO SMALL BUSINESSES' with a 'AGENT & BROKER INFORMATION' button.



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Covering more Americans

Making Americans healthier by preventing illness

Coordinating better care & lowering costs

CMS news

December 31, 2015 Effectuated Enrollment Snapshot

[Press Release: CMS releases Skilled Nursing](#)
[45/Story-Page/healthy-americans.html#ata](#)

CMS covers 100 million people...

...through Medicare, Medicaid, the Children's Health Insurance Program, and the Health Insurance Marketplace. But coverage isn't our only goal. To achieve a high quality health care system, we also aim for better care at lower costs and improved health.



Hot Topics on IRS.gov

Search Word(s)

IRS Future State	future state
Tax scams/consumer alerts	scams
Annual Filing Season Program	filing season program
Continuing education for tax pros	tax pros
E-Services – online tax tools	eservice
Identity theft	ID theft
Practitioner events on IRS.gov	practitioner events
Affordable Care Act	ACA
Taxpayer Bill of Rights	taxpayer rights
SB/SE Tax Calendar	tax calendar

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