

# ACA Reporting Requirements Employers Need to Pay Attention to Now

by Mary Ellen **Slayter**

Last year, ADP surveyed employers about their efforts to comply with the regulatory requirements of the Patient Protection and Affordable Care Act — also known as the ACA or Obamacare — and found more than half of large employers say they're not prepared to do everything that's required. That's not surprising, because it can be difficult to keep up with complex, changing regulations. Still, it's essential to do so to avoid penalties and fines.



The ACA's reporting requirements are the ones experts say may cause trouble. If you're not ready to meet those requirements, now is the time to start preparing.

## New Reporting Requirements

There are two IRS code sections for reporting on the ACA, says **Lois Krause, of KardasLarson LLC**: IRC 6055 for Insurers and Self Insured Plans, and IRC 6056 for Large Employers. Both sections require reporting to the IRS by Feb. 28, 2016, with copies going to individuals by Jan. 31, 2016, for the year 2015. For this code, "large employer" means those with 50 or more full-time equivalent employees.



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If you have a self-insured plan and have more than 50 full-time equivalent employees, you must file under both codes, but you can file on one form, the 1095-C, **Krause says**. Large employers that are fully insured need to file under IRC 6056 and file with the IRS on Form 1095-C and the 1094-C Transmittal Form.

This is the first time companies with 50 or more employees are required to file an informational report, or a section 6056, says Todd Bellistri, president and CEO of August Benefits Inc. "This reporting has no refunds and does not determine any kind of income tax; it is purely informational." The purpose is to determine who has what kind of coverage, which employer is offering what type and how much they're charging employees.

Small companies with fully insured health plans, such as commercial plans like those Blue Cross Blue Shield provides, will have no filing requirement in 2015, Bellistri says, while small companies with self-funded health insurance plans will be required to file. "Larger companies will notice the biggest impact, as they'll be required to file the informational return and make sure their payroll company, health insurance broker and health insurance company can help them organize the necessary data."

Changing ACA regulations and guidance have kept employers on their toes. This filing is no exception, experts say. "The biggest mistake is assuming that your company is not responsible for the informational return and that someone else will do it for you," Bellistri says.

## Start Gathering Essential Information Now

These new reporting requirements are a cultural shift most employers are still getting used to, says Rachel Cutler Shim, counsel at Reed Smith LLP. "While the final forms and instructions are not significantly different in most ways from the proposed forms and instructions, employers that were waiting for final forms and instructions to commence compliance activities should now start to act."

Failing to file the reports or provide correct information could result in fines and penalties for failure to report, as well as shared responsibility payments, Shim says.

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