

AFFORDABLE CARE ACT TRAINING SESSION THREE

Minimum Essential Coverage Reporting (6055
Reporting on the 1094-B and 1095-B Forms)

DISCLAIMER

This ACA Training Session is for informational purposes only, and is not legal advice or a substitute for legal advice. It is designed only for employers that offer the Health Plan administered by the Georgia Municipal Association on behalf of the Georgia Municipal Employees Benefit System, and contains information that is not applicable to other employers. This ACA Training Session reflects the presenter's understanding of certain requirements of the Affordable Care Act as they existed on January 1, 2017. Deadlines are those set forth in the law and do not reflect delays authorized by the IRS for a particular year.

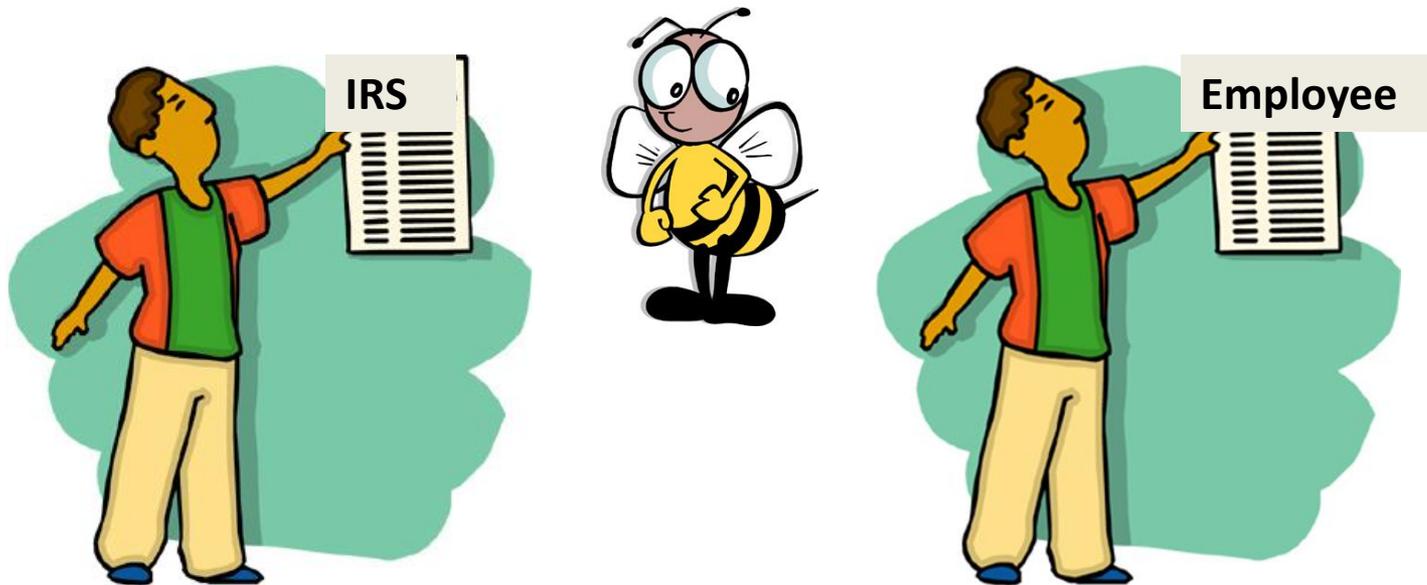
This ACA Training Session is not an official document of the Health Plan. Only the official Health Plan documents establish the terms of the Health Plan.

Recap - GMA Affordable Care Act Training

- Session One: Waiting Period Rules, How to Determine Applicable Large Employer (“ALE”) Status (all Employers)
- Session Three: Minimum Essential Coverage Reporting (6055 Reporting on the 1094-B and 1095-B Forms) (Small Employers)
- Session Two: Pay or Play Penalty Rules (ALEs only)
- Session Four: Pay or Play Penalty and Minimum Essential Coverage Reporting Requirements (6056 Reporting on the 1094-C and 1095-C Forms)(ALEs only)

All training sessions are posted on www.gmanet.com under Life & Health/More Info

SECTION 6055 REPORTING WITH THE “B FORMS” - WHO HAS MINIMUM ESSENTIAL COVERAGE?



Reason for 6055 Reports with B Forms

- Under the ACA, every individual must have minimum essential coverage, qualify for an exemption, or pay a tax penalty
- Taxpayer pays penalty if his or her dependents do not have minimum essential coverage or an exemption



Heads Up!

- The filings are due at the end of January and February
- Participating Employers have the legal obligation to report minimum essential coverage
- GMA will NOT File the B Forms, but will help!
- GMA will provide a data file and/or will prepare the B Forms and send to the Participating Employer for filing **IF employer timely submits a Certification and Request form to GMA**

What are the Penalties for Non-Compliance?

- If employer intentionally disregards rules, **\$500* per Form**, with no annual cap or reductions for correction
- Otherwise, **\$250* per late/missing/incorrect or incomplete Form**, with reductions to \$50* per Form (if corrected in 30 days) or \$100* per Form (if corrected by August 1); yearly cap of \$3 million* (\$1 million* if employer has < \$5 million in gross receipts)
- *Amounts are not exact – they are indexed for inflation and will vary each year. For 2017 filing of 2016 tax year, the penalty is \$260.

GMA Can Help, But Employer Must Submit a
“Help Wanted!” Certification and Request.



Asking GMA for Data File and B Form Preparation Help

- See the Certification and Request Form for Employers who are NOT Applicable Large Employers. This shows what information will be provided in the data file (if requested) and how GMA will fill out the B Forms (if requested)
- If the Certification and Request Form is timely submitted to GMA, GMA can provide the requested information and/or B Forms by the first week in January of each subsequent year.
- Employer must update Certification and Request Form if the one on file is no longer accurate.
- The EMPLOYER will have to mail the B Forms to enrollees by January 31 (not much time!) and mail the B Forms to the IRS by the last day of February.

Why Doesn't GMA Have to File the Forms?

- For purposes of these filings, the GMEBS Health Plan is considered to be self-insured, employer-sponsored coverage maintained by a **Multiple Employer Welfare Arrangement**, so the law requires that “each participating employer” file the forms.
- Caution - the GMEBS Health Plan is NOT a “multiemployer plan” (that means a union plan).
- When the instructions use the term “plan sponsor” or “coverage provider” that means the employer.

Let's Learn about the B's!



1094-B Transmittal Form,
with attached Full SSN
version of 1095-B Forms
(goes to IRS)

1095-B Form, with last four
digits of SSN (goes to each
responsible individual)

Section 6055 Report Shows that Individual Has Minimum Essential Coverage

- All GMEBS Health Plan options provide “minimum essential coverage.”
- Forms 1094-B and 1095-B (the “B” forms) give the name of the employer and list the individuals covered under the employer’s health plan
- IRS uses the forms to verify that the taxpayer has minimum essential coverage
- Taxpayers keep the employee statement form (1095-B) as proof they have minimum essential coverage

Who uses the 6055 Report B Forms? It Depends on Employer Size.

Small Employers

- Complete these forms for **all enrolled active and former employees**
 - Active employees
 - Appointed/elected officials
 - COBRA participants
 - Retirees in Active Plan
 - Retirees in Retiree-Only Plan



Applicable Large Employers

- May use these forms **only for enrollees who weren't active employees any time during the year, for others – must use C Forms**
 - COBRA
 - Retirees in Active Plan
 - Retirees in Retiree-Only Plan



Large Employers May Choose to File B Forms in Addition to C Forms

- Applicable Large Employers must self-report “Pay or Play Penalty” status using the 1094-C and 1095-C, (the “C” forms.) ALEs must report minimum essential coverage in Part III of the 1095-C Form for anyone who was an active employee during the year (or a dependent of one).
- ALEs may use C Forms to report for non-employees OR may file C Forms AND B Forms (for non-employees only), and ask GMA to prepare the B Forms.
- Training Session Four discusses filing with the C Forms.

What if the Employer Doesn't Pay for the Coverage or Collect Premiums?

- It does not matter if the employer is paying any part of the coverage.
- All individuals enrolled in the employer's health plan must be reported.
- Employers that offer retirees coverage (either in the Active Plan or in the Retiree-Only Plan) must report the coverage to the IRS and send the retirees the report.

1094-B IRS Transmittal Form

- Name of employer
- Employer Identification Number
- Name of person to contact
 - This person is responsible for answering questions about the form or about enrollment.
 - Do not name anyone at GMA as the contact
- Street address of employer
- Total number of Forms 1095-B submitted with the transmittal form



Form **1094-B**

Transmittal of Health Coverage Information Returns

OMB No. 1545-2252

Department of the Treasury
Internal Revenue Service

► Information about Form 1094-B and its separate instructions is at www.irs.gov/form1094b.

2016

1 Filer's name Happy City		2 Employer identification number (EIN) 00-000000	
3 Name of person to contact Henrietta Clerk		4 Contact telephone number 333-333-3333	
5 Street address (including room or suite no.) 456 Main Street		6 City or town Happy City	
7 State or province Georgia		8 Country and ZIP or foreign postal code USA 44444-4444	
9 Total number of Forms 1095-B submitted with this transmittal ►			15



Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.


 Signature

City Clerk
 Title

1/25/2017
 Date

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

Cat. No. 61570P

Form **1094-B** (2016)

Henrietta Clerk is the City Clerk of Happy City. She is the benefits contact for Happy City. Fifteen Full SSN 1095-B Statements (one for each enrolled employee or former employee) will be attached to this 1094-B transmittal form.

Form **1095-B**

Department of the Treasury
Internal Revenue Service

Health Coverage

▶ Do not attach to your tax return. Keep for your records.

▶ Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b.

VOID

OMB No. 1545-2252

CORRECTED

2016

Part I Responsible Individual

1 Name of responsible individual		2 Social security number (SSN or other TIN)	3 Date of birth (if SSN or other TIN is not available)		
4 Street address (including apartment no.)		5 City or town	6 State or province	7 Country and ZIP or foreign postal code	
8 Enter letter identifying Origin of the Health Coverage (see instructions for codes): . . . ▶ <input type="checkbox"/>		9 Reserved			

Part II Information about Certain Employer-Sponsored Coverage (see instructions)

10 Employer name			11 Employer identification number (EIN)		
12 Street address (including room or suite no.)		13 City or town	14 State or province	15 Country and ZIP or foreign postal code	

Part III Issuer or Other Coverage Provider (see instructions)

16 Name		17 Employer identification number (EIN)	18 Contact telephone number		
19 Street address (including room or suite no.)		20 City or town	21 State or province	22 Country and ZIP or foreign postal code	

Part IV Covered Individuals (Enter the information for each covered individual.)

(a) Name of covered individual(s)	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
23			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Cat. No. 60704B

Form **1095-B** (2016)

Complete 1095-B Two Times



- The IRS gets a copy of the 1095-B with Full Social Security Numbers
- The responsible individual (usually the employee or former employee who enrolled) gets a copy of the 1095-B with only the last four digits of the SSN
- Although the employer may provide the exact same form to both the IRS and the individual, with the full SSN, this is not recommended due to security issues

1095-B Statement with Full SSN

GMA can provide information for Lines 1-7
in data file to Participating Employer

- Part I:
 - Lines 1-7 Complete name **of enrolled employee or former employee**, SSN and Address. Leave Date of Birth blank.
 - Line 8 **Enter B** (This is the code for Employer-sponsored coverage.)
 - Line 9 **Leave blank**
- Part II: LEAVE BLANK (instructions for plan sponsors state **“Employers reporting self-insured group health plan coverage on Form 1095-B enter code B on line 8 but don’t complete Part II. If you entered code B for self-insured coverage, skip Part II and go to Part III.”**)
- Part III: Enter name of **employer**, EIN, contact phone number (same as the contact phone number on the transmittal form), and employer address.

Form **1095-B**Department of the Treasury
Internal Revenue Service**Health Coverage** VOID

OMB No. 1545-2252

 CORRECTED**2014**▶ Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b.**Part I Responsible Individual (Policy Holder)**

1 Name of responsible individual John Smith		2 Social security number (SSN) 111-11-1111	3 Date of birth (if SSN is not available)
4 Street address (including apartment no.) 123 Happy Street	5 City or town Happy City	6 State or province Georgia	7 Country and ZIP or foreign postal code USA 22222-2222
8 Enter letter identifying Origin of the Policy (see instructions for codes): <input type="radio"/> A <input checked="" type="radio"/> B			

Part II Employer Sponsored Coverage (If Line 8 is A or B, complete this part.)

10 Employer name		11 Employer identification number (EIN)	
12 Street address (including room or suite no.)	13 City or town	14 State or province	15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider

16 Name Happy City		17 Employer identification number (EIN) 00-0000000	18 Contact telephone number 333-333-3333
19 Street address (including room or suite no.) 456 Main Street	20 City or town Happy City	21 State or province Georgia	22 Country and ZIP or foreign postal code USA 44444-4444

John Smith works for Happy City. Part I of this form shows that John Smith is enrolled in minimum essential coverage. Part II is LEFT BLANK. Part III shows that the coverage is provided by Happy City, and the telephone number for the Happy City benefits contact is the correct number to call for questions about enrollment.

1095-B Statement with Full SSN



- Part IV: First, enter the name of the enrolled employee or former employee listed in Part I and the SSN, and check the months during which he or she was enrolled. Then add the name and SSN of each dependent and check the months of enrollment. Leave Date of Birth Blank!
 - What if the SSN for the dependent does not exist or is not available? Ask for another Tax Identification Number (TIN).
 - What if no SSN/TIN? If the employer has “acted in a responsible manner” by requesting the SSN or TIN, enter the Date of Birth.

GMA can provide information for Part IV in data file to Participating Employer

1095-B

Part IV Covered Individuals (Enter the information for each covered individual(s).)															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of coverage											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23 John Smith	111-11-1111		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
24 Mary Smith	555-55-5555		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
25 Kindergartener Smith	777-77-7777		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
26 Newborn Smith		09-01-2015	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part IV of the 1095-B Form tell the IRS which months John Smith and his family members had minimum essential coverage. John Smith started work for Happy City February 1 and enrolled his family in coverage effective March 1. Newborn Smith was born September 1 and did not have a social security number on the date of the preparation of the form.

Filing B Forms with the IRS



- Print statements horizontally.
- Employer must file all 1095-B Statements with Full SSN along with the 1094-B Transmittal Form with the IRS.
- All employers may file electronically, but if GMA prepares B Forms, employer must file them by mail.
- Only employers filing fewer than 250 forms may file by mail.
- Deadline for filing is last day of Feb. of the year after the year being reported (filing by first class mail) or 3/31 (filing electronically).



Part IV Covered Individuals (Enter the information for each covered individual(s).)																
	(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of coverage											
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23	John Smith	XXX-XX-1111		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
24	Mary Smith	XXX-XX-5555		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
25	Kindergartener Smith	XXX-XX-7777		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
26	Newborn Smith		09-01-2015	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
27				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Statement is the same as the one filed with the IRS, except the SSNs on Part IV only show the last four digits. Henrietta Clerk mails the statement with John Smith’s W-2 before the 1/31 deadline.

Mailing the 1095-B Statement to Responsible Individual

- Print statements horizontally
- Employers must provide the 1095-B Statement to each enrolled responsible individual (the employee, former employee, or person who made an independent COBRA election)
- Same as one filed with IRS, but may use last four digits of SSN (recommended).

Employee

Must be mailed by first class mail to the last known address.

- Electronic delivery is permitted with written consent (big hassle)
- Deadline is 1/31 of year following the year being reported (BEFORE the IRS deadline)
- For active employees, the statement may be mailed or hand-delivered in accordance with W-2 delivery rules.



For more information...

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