

A presentation for OEGB entities

Full-Time Employee Measurement Under the Affordable Care Act

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January 16, 2015

Meeting Agenda

- Welcome and Introductions
- ACA Employee Overview
- Section 6055/6056 Reporting
- Questions?

Full-Time Determination Measurement Process Overview

Employee Definitions

- The final regulations provide us with four different definitions of employee for measurement purposes
 - Full-time employee
 - Part-time employee
 - Variable hour
 - Seasonal employee

Full-Time Determination Measurement Process Overview

Employee Definitions *(cont.)*

Full-Time Employee

An employee who is employed an average of at least 30 hours of service per week and/or who does average at least 30 hours of service per week over the course of a measurement period

- Factors employers may consider when determining whether an employee is full-time include:
 - i. Whether the employee is replacing an employee who was a full-time employee
 - ii. The extent to which employees in the same or comparable positions are considered full-time employees
 - iii. Whether the job was advertised, or otherwise communicated or otherwise documented, as requiring hours of service that would average 30 or more hours a week

Part-Time Employee

An employee who an employer reasonably expects, based on the facts and circumstances, to be employed an average of less than 30 hours of service per week and/or who does average less than 30 hours of service per week over the course of a measurement period

Variable-Hour Employee

An employee for whom the employer cannot readily determine is reasonably expected to work on average at least 30 hours per week

- Factors to consider include:
 - i. Whether the employee is replacing an employee who was a variable-hour employee
 - ii. The extent to which employees in the same or comparable positions are considered variable hour
 - iii. Whether the job was advertised, or otherwise communicated or otherwise documented, as requiring hours of service that would vary above and below an average of 30 hours of service per week

Seasonal Employee

A worker who performs labor or services on a seasonal basis, as defined by the Secretary of Labor

- A seasonal employee includes one who is in a position for which the customary annual employment period is no more than six months, and the period occurs during the same part of each calendar year (e.g., summer or winter)
- An employee may still be considered a seasonal employee should employment be extended in a particular year beyond its customary duration due to special circumstances (i.e., an employee brought in to help complete holiday orders is kept over due to a higher-than-expected order volume)

Full-Time Determination Measurement Process Overview

Change in Status Rules

- **New Hires who transition to full-time during their initial measurement period** — If a new hire transitions to a full-time class of employee during their initial measurement period, he/she must be treated as a FTE on the earlier of:
 - The 1st day of the 4th month following the change in employment status; or
 - The 1st day of the 1st month following the end of the initial measurement period if the employee averages more than 30 hours of service per week during the initial measurement period.

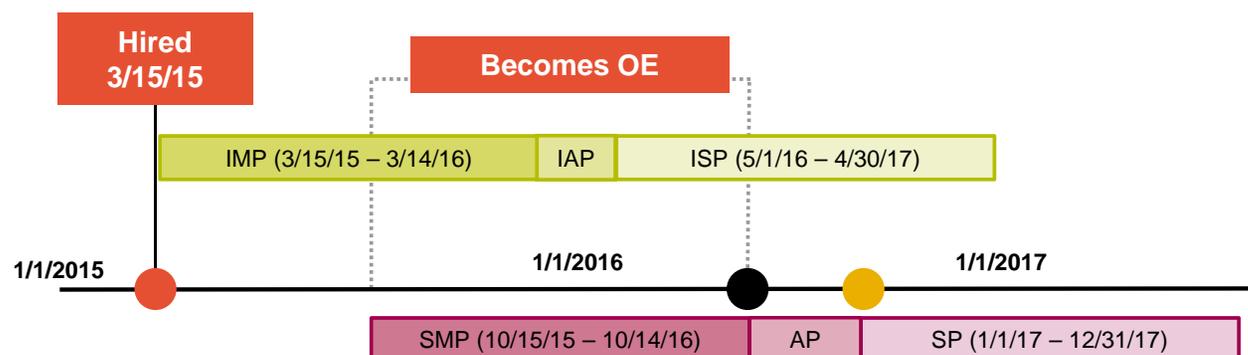
Note: While an employer can delay treating the individual as a full-time employee for penalty purposes, we assume many employees will automatically qualify for coverage based on the transition and employers will process them immediately for enrollment. The employer may treat them as FTEs for reporting purposes immediately.

- **FTE based on “look-back”** — An employee determined to be full-time based on the look-back measurement method remains treated as a FTE during the entire subsequent stability period without regard to any change in status during the stability period (subject only to the special rule discussed on Slide #23).

Full-Time Determination Measurement Process Overview

Change in Status Rules

- **PTE based on “look-back”** — An employee determined to be part-time based on the look-back measurement method may generally remain treated as a PTE during the entire subsequent stability period without regard to any change in status during the stability period (subject to the overlap rule described below).
- **New Hire/Ongoing Employee Overlap Rule** — An employee who measures as a PTE during new hire measurement and as an FTE during an overlapping ongoing employee measurement period must be treated as an FTE for the entire corresponding ongoing employee stability period.



- In this example, assume the employee measures as a PTE as a new hire and as a FTE as an ongoing employee. This employee will be treated as an FTE for the entire 1/1/17 – 12/31/17 ongoing employee stability period cutting off treatment as a PTE during the new hire stability period early.

Full-Time Determination Measurement Process Overview

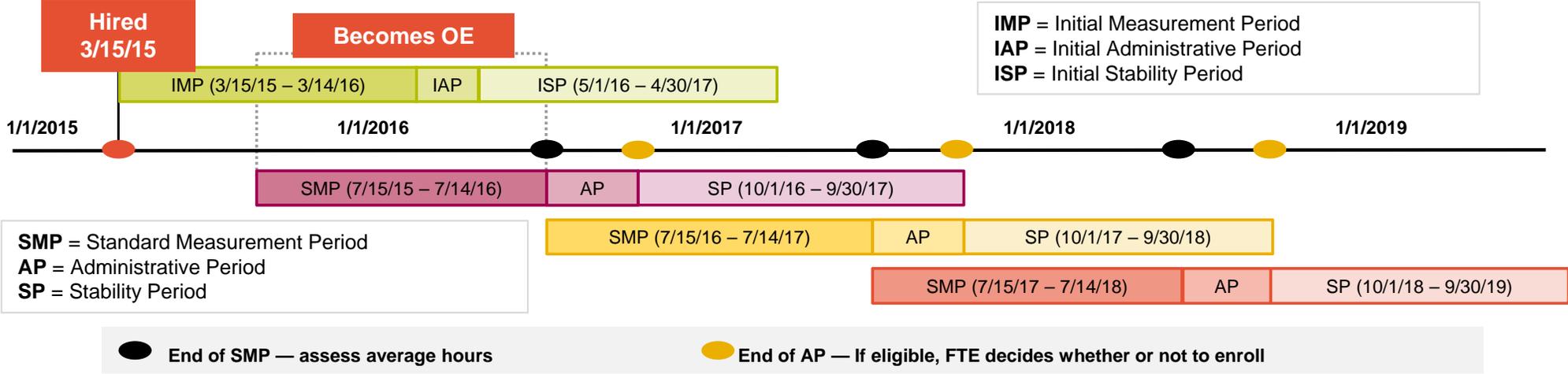
Change in Status Rules

- **Employees who transition from full-time to part-time** — A special rule can be used when an employee experiences a change in employment status from full-time to part-time:
 - An employer can apply the monthly measurement method to that employee beginning on the 1st day of the 4th month following the employee's change of employment status from full-time to part-time if:
 1. The employer has continuously offered coverage to the employee from their date of employment (subject to any waiting period) prior to the transition; and
 2. The employee actually averages less than 30 hours of service for the three full calendar months following his/her transition.
 - This is the only instance where an employer can use both the look-back and monthly measurement methods for employees within the same employee category
 - This means the employee will be treated as a FTE for a minimum run out stability period
 - Employers will need to weigh whether this is administratively worth the effort versus paying potential penalties

Full-Time Determination Measurement Process Overview

Life Cycle of Full-Time Employee

Projected SMP cycle of July 15 through July 14



Section 6055/6056 Reporting



Quick Overview of the Section 6055/6056 Reporting Rules

	Section 6055 Individual Mandate Reporting	Section 6056 Employer Mandate Reporting
Purpose	This reporting requirement supports the IRS enforcement of the individual mandate to maintain minimum essential coverage (MEC). Individuals will use the reporting information to complete their personal income tax returns (perhaps also attaching it similar to Form W-2) to avoid the individual mandate penalty.	This reporting requirement is intended to help the IRS determine which individuals were eligible for subsidies in the public insurance marketplace and whether the corresponding employer(s) should be subject to penalties.
Who is responsible	Plan sponsors for self-insured coverage (typically the employer); insurance carriers for insured coverage; plan sponsor for multiemployer plan (often the plan's board of trustees) or insurance carrier(s) if insured.	Large employers (>100 FTEEs* in 2015; >50 FTEEs* thereafter) are required to report certain information to full-time employees (FTEs) and the IRS regarding coverage offered (or not offered) to FTEs during the calendar year.
How	<ul style="list-style-type: none"> • Self-insured coverage — Parts I and III of Form 1095-C to the employee; Form 1094-C to the IRS (Forms 1095-C will be attached) • Insured or Multiemployer plan coverage — Form 1095-B 	Parts I and II of Form 1095-C to the FTE; Form 1094-C to the IRS (Forms 1095-C will be attached)
Timing	Beginning with the 2015 calendar year, reporting is due by the following January 31 to employees and March 31 to the IRS. Reporting is based on the calendar year without regard to plan year.	Beginning with the 2015 calendar year, reporting is due by the following January 31 to employees and March 31 to the IRS. Reporting is based on the calendar year without regard to plan year.

* FTEEs means "full-time equivalent employees"; this number is determined using both full-time and part-time employees.

Quick Overview of the Section 6055/6056 Reporting Rules

- Section 6055 and 6056 reporting may ultimately be referred to as Form 1094/1095 reporting, but they are one and the same. The forms and their instructions now exist in draft form.
- An individual who changes employers and/or switches between self-insured and insured coverage during a calendar year may receive more than one Form 1095 for that year
 - Example: An individual works as an FTE for Employer A for four months during 2015 and is covered under Employer A's self-insured MEC plan. The individual changes jobs and is employed as an FTE by Employer B for the remainder of the 2015 calendar year but switches from Employer B's insured to self-insured MEC coverage during that time (via special enrollment due to marriage). For 2015, The individual will receive a Form 1095-C from both Employer A and B and a Form 1095-B from the insurance carrier for the portion of time covered under Employer B's insured plan.
- Penalties will apply to health insurance issuers or to self-insured employers that fail to file the information with the IRS or to provide a copy to individuals (e.g., \$100 per return up to \$1.5M per year)
 - Penalties may be reduced or waived if the failure was due to reasonable cause and not to willful neglect

ALEs and ALEMs

Applicable Large Employer (ALE)

An ALE is an employer that employed at least 50 FTEEs (>100 FTEEs for 2015) during the previous calendar year. An employer that was not in existence on any business day for the previous calendar year is an ALE for the current calendar year if it reasonably expects to employ, and actually does employ, an average of at least 50 FTEEs (>100 FTEEs for 2015) during the current calendar year.

- Employers that belong to a common control group (using the IRS rules for determining control group status) are aggregated together for the purposes of determining whether they are ALEs. This means many smaller entities will actually be treated as large employers for the purposes of the measurement and reporting rules.
- Governmental entities may rely on a good-faith application of the control group rules for their circumstances

Applicable Large Employer Member (ALEM)

An ALEM is essentially a member of a control group meeting the following two characteristics:

- It exists as a legal entity and has its own FEIN/Tax ID
- It actually has employees with hours of service (i.e., the entity is not merely a shell)
- A parent or related control group member may provide the actual reporting support, but the Section 6055 and 6056 reporting must generally take place and be submitted at the ALEM level

Form 1095-C — Individual Reporting Statement

Part I

Requires basic information about the employee and employer. The information reported in Part I is shared by the Section 6055 and 6056 reporting requirements.

Part II

Reflects the Section 6056 reporting requirements.

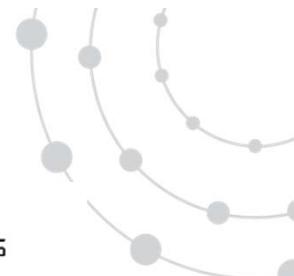
- An employer is literally only required to provide the information in Part II to FTEs, although employers may find it administratively easier to provide this information for all employees
- Rows 14 and 16 are code driven, and the employer will select the appropriate code for that individual for the corresponding months (or uses the box for all 12 months if applicable). There are codes for individuals who are not FTEs.
- The information required in Part II can be affected by the simplified reporting options

Part III

Reflects the Section 6055 reporting requirements for self-insured coverage.

- An employer is required to provide MEC information for all covered employees (including FTEs and part-time employees) and their covered dependents, if any
- An employer may reflect the date of birth instead of an SSN for a covered dependent in a given year, but an employer must follow a good-faith process to request an SSN in order to do this
- For the purposes of Section 6055 reporting, coverage for any day of the month shall count as coverage for the month. Different rules can apply to employers for the purposes of meeting the requirement to “offer” coverage.

Form 1095-C — Individual Reporting Statement



Form **1095-C**
Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage

► Information about Form 1095-C and its separate instructions is at www.irs.gov/1095c.

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Part I Employee			Applicable Large Employer Member (Employer)					
1 Name of employee		2 Social security number (SSN)		7 Name of employer		8 Employer identification number (EIN)		
3 Street address (including apartment no.)				9 Street address (including room or suite no.)		10 Contact telephone number		
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province
						13 Country and ZIP or foreign postal code		

Part II Employee Offer and Coverage	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
	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)													

Part III Covered Individuals

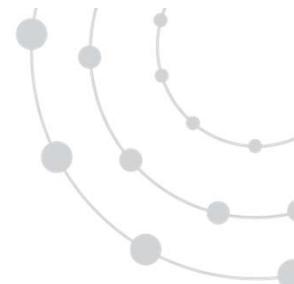
If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17			<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"/>
18			<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"/>
19			<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"/>
20			<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"/>
21			<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"/>
22			<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.

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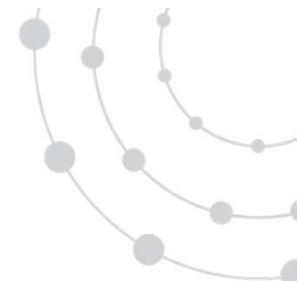
Form **1095-C** (2014)



Code Series 1

Code Series 1	
Code	Description
1A	MEC, MV, affordable coverage offered to full-time employee, spouse and children. Affordable based on 9.5% federal poverty level.
1B	MEC, MV coverage offered to employee only.
1C	MEC and MV offered to employee and MEC offered to children, but not spouse.
1D	MEC, MV coverage offered to employee and MEC offered to spouse, but not to children.
1E	MEC, MV coverage offer to employee and MEC offered to spouse and children.
1F	MEC (not MV) offered to employee, spouse and children.
1G	Coverage offered to non-FTE and enrolled in self-funded coverage for one or more months in the year. If enrolled all 12 months, enter code in "All 12 Months" box.
1H	Coverage not offered to employee or coverage is not MEC.
1I	Qualified Offer Transition Relief 2015. Employee, spouse, children not offered coverage or not offered MEC coverage or was able to enroll in MEC for less than 12 months.

Code Series 2



Code Series 2	
Code	Description
2A	Employee not employed during any day in the month.
2B	Employee not an FTE and did not enroll in MEC, if offered, for the month.
2C	Employee enrolled in coverage offered during the month (regardless of other codes that might apply).
2D	Employee is in a limited non-assessment period: January 1 to March 31 of first year an employer becomes an ALE; maximum 90-day waiting periods; during a Measurement period; upon PT to FT status change mid-month, remainder of month of change and 3 following months; for mid-month hires, days of month prior to hire.
2E	Multiemployer interim rule relief applies.
2F	Using W-2 affordability safe harbor rule.
2G	Using federal poverty level affordability safe harbor.
2H	Using rate of pay affordability safe harbor rule.
2I	Non-calendar year transition relief applies.



Form 1095-B — Individual Mandate Statement

- If an employee is covered by insured MEC, the insurance carrier will be responsible for providing the Section 6055 reporting to the employee on Form 1095-B. This insurance carrier reporting will take the place of employer reporting on Form 1095-C, Part III.
- Self-insured multiemployer plans are treated as insured plans for the purposes of Section 6055 reporting, and MEC under a multiemployer plan will be reported to the covered employee on Form 1095-B



Form 1095-B — Individual Mandate Statement

Form **1095-B**

Department of the Treasury
Internal Revenue Service

Health Coverage

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

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2014

Part I Responsible Individual (Policy Holder)

1 Name of responsible individual		2 Social security number (SSN)	3 Date of birth (if SSN 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 Policy (see instructions for codes): ►			
9 Small Business Health Options Program (SHOP) Marketplace identifier, if applicable			

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		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(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			<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"/>
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"/>
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"/>
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"/>

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

Cat. No. 60704B

Form **1095-B** (2014)

Form 1094-C — Employer Transmittal

Part I

Requires basic information about the employer.

- Most employers will only use rows 1 through 8
- If governmental entities designate a member of their control group to file on their behalf, the designated governmental entity will use rows 9 through 16

Part II

Reflects information about the number of attached Forms 1095-C, whether the employer belongs to a control group and whether it qualifies for any simplified reporting options.

Part III

Reflects information about the employer's number of employees and FTEs per month.

Part IV

Requires the employer to identify the other members of its control group.

Form 1094-C — Employer Transmittal

Form **1094-C**

Department of the Treasury
Internal Revenue Service

Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

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

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OMB No. 1545-2251

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Part I Applicable Large Employer Member (ALE Member)

1 Name of ALE Member (Employer)		2 Employer identification number (EIN)	
3 Street address (including room or suite no.)			
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	
7 Name of person to contact		8 Contact telephone number	
9 Name of Designated Government Entity (only if applicable)		10 Employer identification number (EIN)	
11 Street address (including room or suite no.)			
12 City or town	13 State or province	14 Country and ZIP or foreign postal code	
15 Name of person to contact		16 Contact telephone number	

For Official Use Only



17 Reserved

18 Total number of Forms 1095-C submitted with this transmittal ►

Part II ALE Member Information

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member ►

21 Is ALE Member a member of an Aggregated ALE Group? Yes No

If "No," do not complete Part IV.

22 Certifications of Eligibility (select all that apply):

A. Qualifying Offer Method B. Qualifying Offer Method Transition Relief C. Section 4980H Transition Relief D. 98% Offer Method

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 _____ Title _____ Date _____

Form 1094-C — Employer Transmittal

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Form 1094-C (2014)

Part III ALE Member Information – Monthly

		(a) Minimum Essential Coverage Offer Indicator		(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
		Yes	No				
23	All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24	Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25	Feb	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
26	Mar	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
27	Apr	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
28	May	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
29	June	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
30	July	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
31	Aug	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
32	Sept	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
33	Oct	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
34	Nov	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
35	Dec	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

Form 1094-C (2014)

Form 1094-C — Employer Transmittal

Form 1094-C (2014)

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Part IV Other ALE Members of Aggregated ALE Group

Enter the names and EINs of Other ALE Members of the Aggregated ALE Group (who were members at any time during the calendar year).

Name	EIN	Name	EIN
36		51	
37		52	
38		53	
39		54	
40		55	
41		56	
42		57	
43		58	
44		59	
45		60	
46		61	
47		62	
48		63	
49		64	
50		65	

Form 1094-C (2014)

Simplified Reporting Options

- The final regulations provide for three simplified reporting options that relieve an employer from having to provide certain information on Forms 1094/1095
 - A simplified reporting option may apply to some, but not all, employees meaning an employer may still have to provide comprehensive reporting for a significant population
 - Employers will have to decide whether using a simplified reporting option is to their advantage administratively
- An employer may qualify for and take advantage of more than one simplified reporting option based on its circumstances

Simplified Reporting Options — Qualifying Offer

- Qualifying Offer — An employer provides a Qualifying Offer to any FTE if:
 1. The employer offers the FTE MEC meeting both minimum value and affordability;
 2. For the purposes of this option, affordability is based solely on the mainland Federal Poverty Limit for the calendar reporting year (approximately \$92/month in 2015); and
 3. The Qualifying Offer was made for each month the individual was an FTE during the calendar reporting year.
- Simplified reporting impact of a Qualifying Offer:
 - An employer must leave Form 1095-C, Part II, row 15 blank. This does not appear discretionary
 - For FTEs receiving Qualifying Offers for all 12 months, the draft instructions indicate an employer may satisfy its Form 1095-C obligation solely by providing a statement* containing (a model statement will be available at a later date):
 - The employer's name, address and EIN;
 - An employer contact name and telephone number; and
 - A statement that a Qualifying Offer was made for all 12 months of the year, and the employee (and spouse/dependents, if any) is ineligible for a subsidy in the public insurance marketplace during the calendar reporting year.

*The meaning of this alternative statement language is unclear and presumably applies only to Part II of Form 1095-C. If an employee were actually covered under an employer's self-insured plan, the employer would still be required to provide information for Part III of Form 1095-C (and therefore, Part I as well).

Simplified Reporting Options — 95% Qualifying Offer (2015 only)

- 95% Qualifying Offer (2015 only) — An employer provides a 95% Qualifying Offer to FTEs if:
 1. If the employer made a Qualifying Offer to at least 95% of its FTEs; and
 2. The Qualifying Offer includes spouses and dependent children.
- Simplified reporting impact of a 95% Qualifying Offer:
 - An employer must leave Form 1095-C, Part II, row 15 blank. This does not appear discretionary.
 - FTEs who receive Qualifying Offers should be provided the statement described previously
 - An employer may satisfy its Form 1095-C obligation for any employee who does not receive a Qualifying Offer solely by providing a statement* containing (a model statement will be available at a later date):
 - The employer's name, address and EIN;
 - An employer contact name and telephone number; and
 - A statement that the employee (and spouse/dependents, if any) may be eligible for a subsidy in the public insurance marketplace for one or more months during the calendar reporting year.

*The meaning of this alternative statement language is unclear and presumably applies only to Part II of Form 1095-C. If an employee were actually covered under an employer's self-insured plan, the employer would still be required to provide information for Part III of Form 1095-C (and therefore, Part I as well).

Simplified Reporting Options — 98% Offer

- 98% Offers — An employer provides a 98% Offer if:
 1. The employer offers MEC meeting both minimum value and affordability to at least 98% of its employee workforce issued a Form 1095-C;
 - This will include both FTEs and non-FTEs covered under an employer's self-insured plan (the employer would be required to provide at least Parts I and III of Form 1095-C to these individuals)
 2. For the purposes of this option, affordability may be based on the W-2, rate of pay or Federal Poverty Limit methods for the calendar reporting year; and
 3. The employer met these requirements for each month in the calendar reporting year.
- Simplified reporting impact of a 98% Offer:
 - An employer may leave Form 1094-C, Part III, column (b) blank
 - It is unclear, but presumably, an employer may use Code 1E for row 14 and Codes 2F, 2G or 2H for row 16 of Form 1095-C, Part II instead of using any codes identifying the employee as an FTE and may leave row 15 blank. Further instructions from the IRS would be welcome.

Questions