



2018 Annual IRS ACA Reporting Update

Form 1095-C and Form 1094-C

School Districts and Supervisory Unions Considered Applicable Large Employers (ALEs)

As most of you are aware, the information reported on IRS Form 1095-C by large School Districts (SDs) and Supervisory Unions (SUs) will change with the calendar year 2018 filings (filed in early 2019). In previous years, SDs and SUs filed Form 1095-C for active employees only, completing Parts I and II. Part III, *Covered Individuals*, was not completed. Instead, BCBSVT filed a separate a different form for each employee (and their dependents) enrolled in group health plan coverage. In addition, BCBSVT filed information with the IRS for each COBRA participant.

This year, due to VEHI's move to self-funded health plans, large SDs and SUs will be responsible for completing the *Covered Individuals* information requested in Part III, as shown below, and for reporting *Covered Individuals* information for COBRA participants, in addition to Parts I and II as in prior years. The IRS recently released draft copies of the 2018 forms and there are no material changes to the form from last year.

Draft July 24, 2018		Form 1095-C		Employer-Provided Health Insurance Offer and Coverage		VOID		CORRECTED		OMB No. 1545-2251		600118																			
Department of the Treasury Internal Revenue Service		Do not attach to your tax return. Keep for your records. Go to www.irs.gov/Form1095C for instructions and the latest information.								2018																					
Part I Employee				Applicable Large Employer Member (Employer)																											
1 Name of employee (first name, middle initial, last name) Elizabeth B Smith		2 Social security number (SSN) 012-34-5678		7 Name of employer Corinth School District				8 Employer identification number (EIN) 03-0000001																							
3 Street address (including apartment no.) 6 Rosewood Drive				9 Street address (including room or suite no.) 9602 Edgemont Ave.				10 Contact telephone number 802-000-0000																							
4 City or town Montpelier		5 State or province VT		6 Country and ZIP or foreign postal code 05604		11 City or town South Barre		12 State or province VT		13 Country and ZIP or foreign postal code 05670																					
Part II Employee Offer of Coverage				Plan Start Month (enter 2-digit number): 01																											
14 Offer of Coverage (enter required code)		All 12 Months		Jan		Feb		Mar		Apr		May		June		July		Aug		Sept		Oct		Nov		Dec					
15 Employee Required Contribution (see instructions)		\$ 97.54		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$					
16 Section 408(a) Safe Harbor and Other Relief (enter code, if applicable)		2C																													
Part III Covered Individuals				If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. <input checked="" type="checkbox"/>																											
(a) Name of covered individual(s) First name, middle initial, last name		(b) SSN or other TIN		(c) DOE (if SSN or other TIN is not available)		(d) Covered all 12 months		(e) Months of Coverage																							
17 Elizabeth B Smith		012-34-5678				<input checked="" type="checkbox"/>		Jan		Feb		Mar		Apr		May		June		July		Aug		Sept		Oct		Nov		Dec	
18 Daniel Y Smith		014-85-7946				<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>													

Note that, unlike Part I and Part II, which are completed for all employees for whom a form must be filed, Part III is completed only where the employee (and family members) are **actually enrolled** in group health plan coverage for at least one day during the calendar year.

Because, large SDs and SUs are responsible for combining the information to create a **single** Form 1095-C for each employee for whom they must report, you should consider **now** how you will obtain the information for Part III and combine it with the data for Parts I and II in a reportable format. Some SDs and SUs maintain the detailed, month-by-month enrollment information required in Part III in their payroll and/or HR information systems or other records. This information can also be downloaded from the BCBSVT Employer Resource Center (ERC) (click [here](#) for a link to that information, but be aware the BCBSVT ERC will be upgraded effective January 1, 2019 and therefore the process for downloading the data will change effective January 1, 2019). Keep in mind you must provide the social security number for each enrolled employee and dependent. You can still access the fall 2017 spreadsheets provided for the new plan enrollment on the BCBSVT ERC – these spreadsheets included SSNs for employees and dependents.

You should also be in contact with customer support with your **Data Management vendor** to determine the extent to which they will be able to assist you in preparing and (if required) electronically filing the forms. You can find information about several of the vendors used by SDs and SUs under IRS Reporting Resources on the VEHI website (click [here](#)).

Upcoming Resources

2018 Filing Year Resource Guide (VEHI website) posted by September 21st

Live Webinars [Click desired date to register.](#)

- 2018 Annual IRS ACA Reporting Update - VEHI ALE Session 1 [9/25/2018 10:00 AM](#)
- 2018 Annual IRS ACA Reporting Update - VEHI ALE Session 2 [10/3/2018 2:00 PM](#)

Town Hall [Click desired date to register.](#)

- 2018 Annual IRS ACA Reporting Town Hall - VEHI ALE Session 1 [10/15/2018 2:00 PM](#)
- 2018 Annual IRS ACA Reporting Town Hall - VEHI ALE Session 2 [10/17/2018 10:00 AM](#)

Questions – Contact GBS at VEHIhelp@ajg.com



Reporting Overview – What’s Required

SDs and SUs who are Applicable Large Employers

Who must be reported?

- A Form 1095-C must be filed for:
 - a. each employee who was full-time at any time in 2018;
 - b. each variable hour employee who, based on their hours of service, was considered full-time (30 hours of service) at any time in 2018;
 - c. each part-time (fewer than 30 hours of service) enrolled in coverage;
 - d. each COBRA participant (family unit).

What must be reported?

- Form 1095-C requests information about whether an offer of coverage was made to the employee, the cost to the employee for the least costly group health and a reason code as to the offer (or lack of offer) of coverage for each full-time employee (see *Who must be reported?*).
- This year, SDs and SUs must also complete information about the individuals actually enrolled in coverage, including dependents (this was previously reported by BCBSVT).
- All information must be reported, by calendar month, for each month in 2018.
- One Form 1094-C, Parts I, II and III, must be filed with the IRS along with all Forms 1095-C as a transmittal form.

What is Form 1094-C?

- Form 1094-C is a ‘summary’ form filed with the IRS along with the SD’s or SU’s Form 1095-Cs;
- SDs or SUs use this form to provide additional information about the SD or SU as well as the offer of group health plan coverage.

Why is this information required?

- The information reported to the IRS is used by the IRS:
 - a. to determine potential ACA employer penalties;
 - b. to determine individual taxpayer eligibility for the ACA premium tax credit (which is still in effect even though the penalty is currently set at \$0).

How are the Forms Filed with the IRS?

- ACA 1094-C and 1095-C are considered information returns under the Internal Revenue Code. Any SD or SU required to file 250 or more information returns must file the returns electronically. This requirement applies separately for each type of return. SDs and SUs filing fewer than 250 returns are permitted to file paper forms.

- **If this is your first year filing electronically**, it is important to begin looking for a vendor to assist you with the filing. (Some Data Management systems and payroll vendors offer this service.)
- Whether filing electronically or by mail, keep copies of information returns you filed with the IRS or maintain the ability to reconstruct the data for at least 3 years from the due date of the returns.

When Must the Forms be Filed with the IRS?

- Generally, you must file Forms 1094-C and 1095-C by February 28 if filing on paper (or March 31 if filing electronically) of the year following the calendar year to which the return relates. For calendar year 2018, Forms 1094-C and 1095-C are required to be filed by **February 28, 2019, or April 1, 2019, if filing electronically.**

Does the SD/SU have to provide these Forms to the Employee?

- Yes, a copy of the Form 1095-C must be provided to the employee to whom it relates.
- SDs and SUs meet the requirement to furnish Form 1095-C to an employee if the form is properly addressed and mailed on or before the due date. If the due date falls on a weekend or legal holiday, then the due date is the following business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.
- SDs and SUs must furnish a Form 1095-C to each of its employees by January 31 of the year following the year to which the Form 1095-C relates. Forms 1095-C for the 2018 calendar year must be furnished by **January 31, 2019.**
- In general, Forms must be furnished on paper by mail (or hand delivered), unless the recipient affirmatively consents to receive the statement in an electronic format.
- If mailed, the Form must be sent to the recipient's last known permanent address, or, if no permanent address is known, to the recipient's temporary address.