AFFORDABLE CARE ACT TRAINING SESSION FOUR

Pay or Play Penalty and Minimum Essential Coverage Reporting (6056 Reporting on the 1094 and 1095 C 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 13, 2021. 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.



Updated 1/13/2021



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 <u>www.gmanet.com</u> under Life & Health/More Info



SECTION 6056 REPORTING WITH THE "C FORMS"









Reasons for 6056 Reporting with C Forms

- C Forms are a "self-report" to the IRS of whether the Participating Employer must pay "Pay or Play" penalties
- C Forms report to the IRS whether individuals are eligible for subsidized coverage on the Exchange
- Covered individuals use their statements as proof that they have minimum essential coverage, and won't have to pay the individual mandate penalty
- ACA Full-Time Employees not enrolled see what has been reported to IRS





Employer Has Obligation to File

- The GMEBS Health Plan is an employer-sponsored, selfinsured plan for multiple employers, so <u>all Participating</u> <u>Employer ALEs MUST FILE Forms 1094-C and 1095-C with</u> <u>Part III (minimum essential coverage) completed for</u> <u>enrollees.</u>
- The GMEBS Health Plan is NOT a "multiemployer plan" or a "governmental sponsored program."
- For reporting purposes, when instructions use "plan sponsor" or "coverage provider," that means the employer.
- GMA will NOT report any coverage to the IRS or to enrollees and GMA cannot file any forms on behalf of Participating Employers





Employer Has Obligation to File

- It does not matter if the employer is not paying any part of the coverage and is not collecting premiums.
- The employer <u>must report for all ACA Full-Time Employees</u> (even if not enrolled), and <u>must report for everyone</u> <u>enrolled in the GMEBS Plan</u> – even if no longer employed.
- Employers with retirees enrolled in the GMEBS Retiree-Only Health Plan on a fully self-paid basis still must file Forms for them
- If enrolled retirees were not employed during the year, they can be reported using either the B Forms or the C Forms.





Employer Has Obligation to File

- The filings are due January 31 of the year after the year of coverage (to ACA Full-Time Employees and enrolled individuals) and the last day of February of the year after the year of coverage (to IRS, March 31 if filing electronically)
- In order to complete Forms 1094-C and 1095-C, the Participating Employer must figure out whether it will have to pay "Pay or Play Penalties"
- That means the employer must identify all ACA Full-Time Employees, determine the months for which they and their dependents were offered coverage, and determine whether the coverage offered met the "affordability" requirements)





Payroll Systems and Vendors Can Help

- Payroll software is available to create the C Forms, consider asking payroll vendor about training
- Information must be entered into the payroll software
- Some payroll vendors are filing C Forms on behalf of clients
- Some stand alone vendors will work with your existing payroll software to help you create and file the forms





GMA Can Help (a Little), But Employer Must Submit a "Help Wanted!" Certification and Request.







GMA Can Help (a Little)

- See the Certification and Request Form for Applicable Large Employers
- This describes the enrollment data files and how GMA will fill out the B Forms for Non-Employees (if requested)
- If the Certification and Request Form is timely submitted to GMA, GMA can provide the requested data files and/or B Forms by the <u>first week in January</u>
- The EMPLOYER will have to deliver all forms to ACA Full-Time Employees and enrolled primary responsible individuals by January 31 (not much time!) and file all forms with the IRS by the applicable deadline (last day of February if paper or March if electronic).





About the C Forms

- Applicable Large Employers MUST complete the C Forms for all active ACA Full-Time Employees (even those not enrolled) and for anyone enrolled as an active employee or his or her dependent during the year
- For those who were non-employees (COBRA, retirees) and never enrolled as an active employee during the year, the ALE must either report minimum essential coverage on Part III of 1095-C OR may file the 6055 Reporting B Forms for these individuals (see ACA Training Session Three)

OR











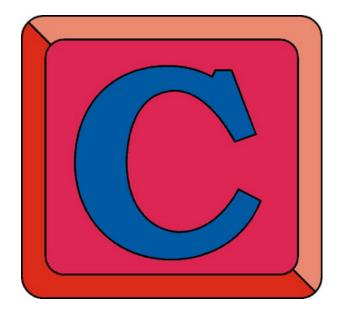
About the C Forms

- Why would an Applicable Large Employer want to complete C and B Forms?
 - If it is difficult to put information about someone who was not employed during the year into the payroll system that is generating the C Forms, and the ALE prefers for GMA to prepare the B Forms for the ALE to mail
 - If the ALE prefers not to include information about non-employees in its payroll system for another reason
- To learn more about the B Forms, see Training Session Three
- GMA's Data Files give ALEs the flexibility to choose





About the C Forms



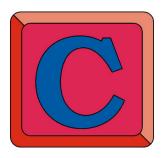
10<u>94</u>-C Transmittal Form, with attached Full SSN version of 10<u>95</u>-C Forms (goes to IRS)

10<u>95</u>-C Form, with last four digits of SSN (goes to each enrolled responsible individual AND to each Full-Time Employee who is not enrolled)





About the C Forms – 10<u>94</u>-C



Not just a Transmittal Form

Part I: Information about the employer (contact information) Part II: Signature affirming accuracy and completeness, certification of eligibility for Pay or Play Penalty relief, number of 1095-C Forms attached Part III: Self-report of whether employer could be hit with "Sledgehammer Penalty," identifies type of Pay or Play Penalty relief





GMA data files will NOT include this information



About the C Forms – 10<u>95</u>-C

GMA data files include ALL Part III information

GMA data files include SOME Part II information for enrollees only

GMA data files include Part 1 Lines 1-6 information for enrollees only.

Part I: Information about the individual getting the Form; information about the employer



Part II: Self-report about whether the employer could be hit with "Tack Hammer" penalty for failing to offer ACA Full-Time Employees minimum essential coverage with minimum value that met "affordability" requirements. Part II is mostly about OFFER of coverage, but enrollment is used for Line 16. Part III: Report of enrollment in minimum essential coverage for each month for primary responsible individual and each enrolled dependent. Part III is all about ENROLLMENT.



About the C Forms – All ALEs must file

 If employer is an ALE (50 or more ACA Full-Time Employees and FTE Equivalents, using numbers from year before the reported year) <u>REPORTING IS</u> <u>REQUIRED!!</u> (See Training Session 1 for how to determine ALE status)





Scope of Training on C Form Completion

- This Training Session does not address how to complete the C Forms if the Participating Employer is a member of a controlled group (see Training Session 1)
- This Training Session does not address how to complete the C Forms if the Participating Employer has formally delegated responsibility for filing to another governmental entity that is "part of or related to" the Participating Employer
- This Training Session assumes that the Participating Employer is not using any simplified/alternative reporting options
- <u>This Training Session assumes that the Participating Employer</u> does not offer any health coverage other than GMEBS health coverage.
- <u>All examples are based on these assumptions</u>





Get Ready to Complete the C Forms

- Reminder you only need to complete the 1094-C and 1095-C
 Forms if you are an Applicable Large Employer
- See Training Session 1 for information about how to make this determination
- ACA uses special math!
- The ALE determination is based on information from the year before the year reported.

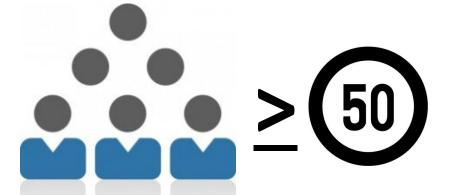




For ALE status purposes

 Any employer who averaged 50 or more
 Full-Time Employees
 plus Full-Time
 Equivalents during the
 entire preceding
 calendar year

- 1. Identify All Employees Using ACA Definition
- 2. Identify Employees Whose Hours can be Excluded
- 3. Determine Time Frame for Counting Hours
- 4. Count Hours for All Employees
- 5. Count Full-Time Employees
- 6. Count Full-Time Equivalents Using ACA Math
- 7. If Sum of 5 and 6 is 50 or More, Apply Seasonal Worker Rule



Full-Time Employees + Full-Time Equivalents

Updated 10/26/2016



From Training Session 1

Get Ready to Complete the C Forms

- Identify all employees in each month (need to provide a count)
- Identify all employees who were ACA Full-Time Employees <u>for Pay or Play Penalty purposes</u> for each month (even if not enrolled in coverage) (See Training Session 2)
- Remember, for Pay or Play Penalty purposes, use Measurement Periods and Stability Periods





Get Ready to Complete the C Forms

- For each ACA Full-Time Employee, determine for which months GMEBS coverage was offered
 - Offer of coverage during Annual Enrollment counts as an offer of coverage for each month of the following year as long as employed
 - Offer of coverage due to new hire/special enrollment counts as an offer of coverage for each following month of the year for which employee could have been enrolled in coverage as long as employed
 - If a person declined coverage, and if employment terminates midmonth, he is not considered to have been offered coverage for that final month

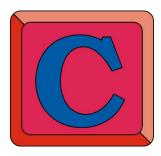
 For each month, calculate the percentage of ACA Full-Time Employees for which GMEBS coverage was offered

Preparation for Completing 10<u>95</u>-C Form

- For any month coverage was not offered to an ACA FTE and dependent children, determine why no penalty should apply. (See Training Session 2) Examples:
 - Individual was not employed during that month
 - Individual was not an ACA Full-Time Employee during that month
 - Individual was in a Limited Non-Assessment Period during that month
- Identify the cost of employee-only coverage for the cheapest option
- Identify which "affordability" safe harbor will be used



About the C Forms – 10<u>94</u>-C Parts



Part I: Information about the employer (contact information) Part II: Signature affirming accuracy and completeness, number of 1095-C Forms attached Part III: Self-report of whether employer could be hit with "Sledgehammer Penalty"







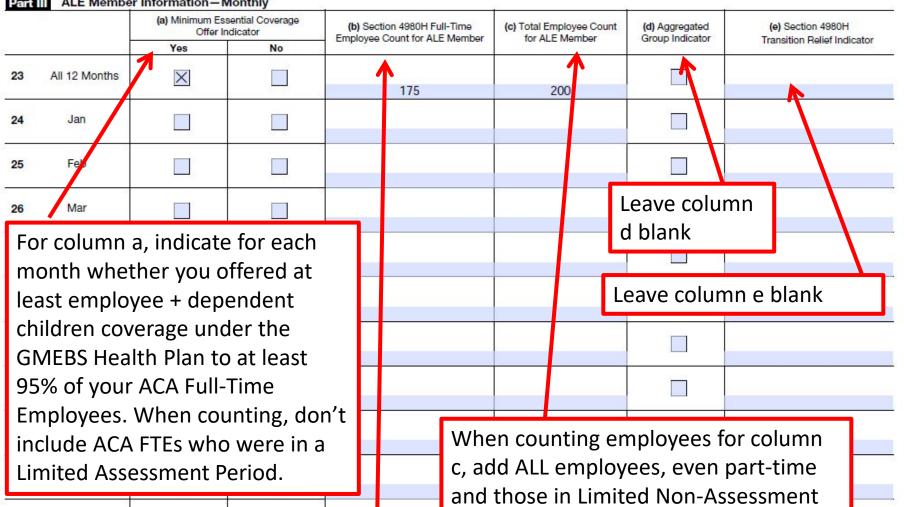
About the C Forms – 10<u>94</u>-C Example

- For every month of year A, Big Happy City has 175 ACA Full-Time Employees (as defined in 4980H) for Pay or Play purposes and 200 total employees
- Big Happy City must provide the 1095-C Form to these 175 ACA Full-Time Employees
- Big Happy City offered GMEBS coverage to 95% or more of its 4980H ACA Full-Time Employees in every month of year A, so Big Happy City cannot be hit with the sledgehammer penalty
- Henrietta Clerk is the contact for the IRS to reach

GMA data files will NOT include information needed to complete 1094-C



Form 1094-C Department of the Treasury Internal Revenue Service	► Information about	Employer-Provided Coverage Informa t Form 1094-C and its separat	ation Returns		CORRECTED	OMB No. 1545-2251	_
Applicable La Name of ALE Member (Emplo	arge Employer Membe	r (ALE Member)					
Big Happy City W 3 Street address (including room or suite no.) W 456 Big Happy Boulevard an 4 City or town Big Happy City		Whom the IRS should contact with questions – do NOT name anyone at GMA! Georgia USA 44444-4444					Ş
7 Name of person to contact Henrietta Clerk 9 Name of Designated Governm 11 Street address (includir		05 /		Contact telephone number 333-333-3333 Employer identification number (EIN)	E	Yes, transmit authoritative	
12 City or town	– 16 blank, D)GE n/a		14 Country and ZIP or foreign postal code	For		
15 Name of person to contact 17 Reserved			· ·	aching 175 1095 in Part I and in		· · ·]
		nis transmittal	box and continue. If "N	lo," see instructions	*****	▶ 175 Σ	
20 Total number of Form	s 1095-C filed by and/or o	n behalf of ALE Member .				► 175	
21 Is ALE Member a men If "No," do not comple 22 Certifications of Eligi A. Qualifying Offer I	ibility (select all that appl	w: None ap	oply. Leave a		ethod	Pyes 🛛	No
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For Privacy Act and Paperwo	ork Reduction Act Notice, se	ee separate instructions.	Cat.	No. 61571A		Form 1094-C (2	016) Slice 25



When counting ACA Full Time Employees for column b, do NOT include those in Limited Non-Assessment Period

Oct

Period. Use the same time each month – either first or last days of month or first or last days of the first payroll period of the month (as long as that day falls within the calendar month).

C (2016)

1094-C IRS "Transmittal" Form Part III

- Column a The Sledgehammer Penalty cannot apply for a month if the ALE <u>offered</u> the GMEBS Health Plan to 95% or more ACA Full-Time Employees and their dependent children in that month.
- For an offer of coverage to count, it must have been available to the ACA Full-Time Employee for every day of the month. If coverage can only start in the middle of the month, it won't count as an "offer of coverage" for that month.
- "An employer makes an offer of coverage to an employee if it provides the employee an effective opportunity to enroll in the health coverage (or to decline that coverage) at least once for each plan year. An employer makes an offer of health coverage to an employee for the plan year if it continues the employee's election of coverage from a prior year but provides the employee an effective opportunity to opt out of the health coverage. "





About the C Forms – 10<u>95</u>-C

GMA data files include ALL Part III information

GMA data files include SOME Part II information for enrollees only

GMA data files include Part 1 Lines 1-6 information for enrollees only.

Part I: Information about the individual getting the Form; information about the employ....



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Form 1095-C Department of the Treasur Internal Revenue Service		► Do n	ided Health Insurance not attach to your tax return. Keep s.gov/Form1095C for instructions a	for your records.	OMB No. 1545-2251				
Part I Employee				Applicable Large Employer Member (Employer)					
1 Name of employee (first name, middle initial, last name)		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	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			

Employee's Age on January 1

epar

Part II Employee Offer of Coverage All 12 Months Feb Ma Jan

This is the ACA Full-Time Employee or the Primary Responsible Individual who is enrolled (even if not an ACA FTE). For enrolled individuals only, the employer can use the GMA Data File to complete lines 1-6.

r	Apr May	June	July	AL	ıg	Sept	Oct	Nov	Dec		
	Lines 7, 8,	9, 11 – 1	13 ente	r							
	the same information entered on Form 1094-C.						ine 10 contact iumber can be				
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						NOT G	•	500115.			
ate instructions. Cat. No. 6070				5M	Form 1095-C (2020						

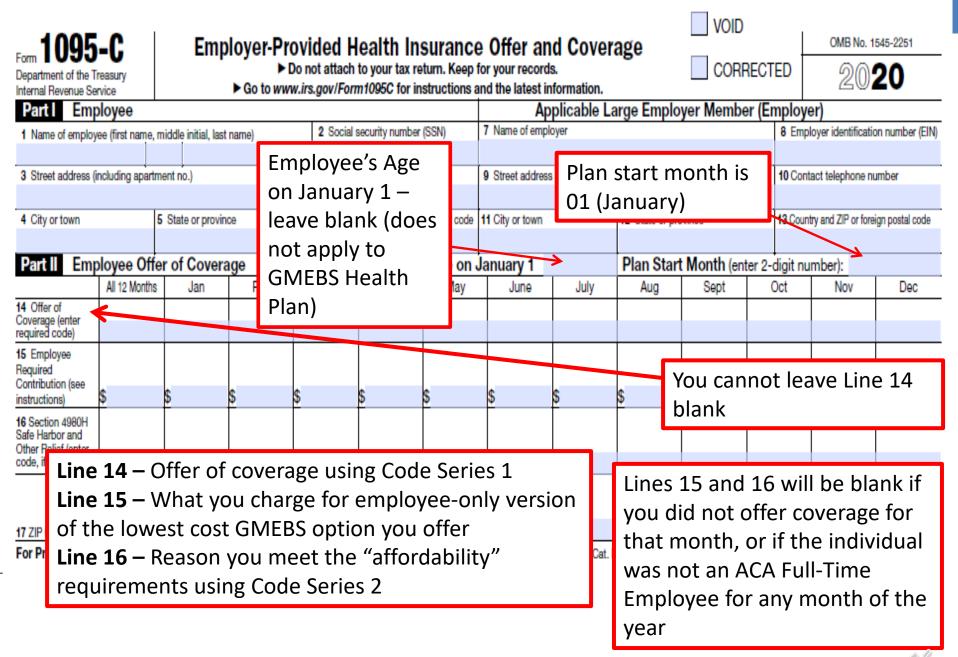
Plan Start Month – enter "01"

for usual January start

Plan Start Month (enter 2-digit number):



Form Departr Interna Par





10<u>95</u>-C Form Part II – Line 14 & Code Series 1

Offered GMEBS coverage for every day of the month

- Code 1E <u>Everyone in family offered coverage</u> "Minimum essential coverage providing minimum value offered to you and minimum essential coverage offered to your dependent(s) and spouse." (See examples 1-7) OR
- Code 1B <u>BUT NOT DEPENDENTS</u> "Minimum essential coverage providing minimum value offered to you and minimum essential coverage NOT offered to your spouse or dependent(s)." NOTE – discuss with counsel, penalty risk if employer does not offer coverage for dependent children, but transition relief may apply.





1095-C Form Part II – Line 14 & Code Series 1

- Did NOT Offer GMEBS coverage for every day of the month
 - Code 1H Heck No! Coverage was not offered for every day (you were not offered health coverage for every day of the month or you were offered coverage that is NOT minimum essential coverage.)" (See examples 3, 7)
- COBRA/Former Employee Rules:
 - Code 1H if COBRA coverage offered for that month <u>due to</u> <u>termination of employment</u>(See Example 2.1) or if retiree coverage offered for that month
- COBRA/Still employed:
 - Code 1E if COBRA coverage offered to Everyone in family or Code 1B (But Not Dependents) if COBRA offered only to employee (See Example 2.2)





1095-C Form Part II – Line 14 & Code Series 1

- Employees who were <u>not ACA Full-Time Employees for any</u> <u>month of the year</u>, but who <u>actually enrolled in GMEBS</u> <u>coverage</u> (e.g., non-ACA FTEs eligible due to statutory position, such as elected member of city's governing authority; retirees, COBRA former employees, COBRA beneficiaries who made a separate COBRA election)
- **Code 1G** "You were NOT a full-time employee for any month of the calendar year but were enrolled in self-insured employer-sponsored coverage for one or more months of the calendar year. This code will be entered in the *All 12 Months* box on Line 14."
- See Examples 8 and 9





1095-C Form Part II – Line 14 & Code Series 1

- Comments about other Codes
 - Codes 1A, 1I these relate to alternative reporting (beyond scope of this presentation)
 - Code 1C N/A because GMEBS eligibility rules do not permit Participating Employers to offer coverage only to employees and dependent children
 - Code 1D N/A because GMEBS eligibility rules do not permit Participating Employers to offer coverage only to employees and spouses
 - Code 1F N/A because GMEBS coverage is Minimum Essential Coverage that provides Minimum Value
 - Code 1J, K N/A because GMEBS eligibility rules do not

GEOR Dermit conditional offer of coverage to spouse



10<u>95</u>-C Form Part II – Line 15

- Always leave Line 15 blank if 1H is in Line 14.
- Tells the IRS whether the cost of employee-only coverage was "affordable" (as defined by ACA), so the Tack Hammer penalty won't apply.
- Enter "0.00" if you offer free employee-only GMEBS coverage, or enter the cheapest cost of employee-only coverage under any GMEBS option you offer. For any month an active part-time employee is enrolled in COBRA, enter the lowest cost of self-only COBRA coverage in Line 14.
- "This line reports the employee share of the lowest-cost monthly premium for minimum essential coverage providing minimum value that your employer offered you. The amount reported on line 15 may not be the amount you paid for coverage, if, for example, you chose to enroll in more expensive coverage such as family coverage."



10<u>95</u>-C Form Part II – Line 16 & Code Series 2

- This line tells the IRS why no penalties should apply. CADs go first.
 - Code 2C employee actually <u>C</u>overed for each day of the month. <u>Enter 2C even if another code fits, but do</u> not use 2C for COBRA due to termination or retiree <u>coverage.</u>
 - Code 2A employee was not employed on <u>A</u>ny day of the month (examples 2, 7), use 2A if enrolled in COBRA or Retiree coverage. (example 2.1).
 - Code 2D employee was in a Limited Non-Assessment
 Period during the month (see Training Session Two.)



10<u>95</u>-C Form – Line 16 & Code Series 2

- Code 2B (See example 8) ONLY if Codes 2C, 2A, and 2D don't apply, and one of the following is true:
 - The employee was found NOT <u>2B</u> an ACA Full-Time Employee
 - Mid-month term. rule the employee was an ACA Full-Time Employee who declined enrollment and ended employment midmonth (see ex. 7, July) OR was an enrolled ACA Full-Time Employee, but coverage ended mid-month due to termination of employment (N/A b/c GMEBS coverage ends at end of month)
 - If an active employee enrolls in COBRA mid-month due to reduction in hours that causes him or her to lose ACA FTE status, use 2B (see example 2.3)
- Codes 2F-2H these codes prove that offer of coverage was affordable under safe harbor (enter the affordability safe harbor used) 2F is W-2, 2G is federal poverty line, 2H is rate of pay
- Code 2E N/A, relates to union plans





10<u>95</u>-C Form – Line 16 & Code Series 2

- What if no Code applies?
- If no Code applies, then there is no "excuse" for failure to offer the ACA Full-Time Employee coverage that meets the affordability requirements for that month.
- Tack hammer penalty will apply if the individual gets subsidized coverage on the Exchange for that month (See ACA Training Session Two)
- If no Line 16 Code applies, check with an advisor to make sure you are aware of consequences





1095-C PART II EXAMPLES





10<u>95</u>-C Part II, Example 1 – ACA FTE, offered family coverage, enrolled all year in employee-only coverage.

Part Em	ployee						Ap	plicable L	arge Emplo	oyer Membe	er (Employ	er)	
1 Name of employ				2 Socia	al security number	r (SSN)	7 Name of amp	loyar		121	8 Emp	loyar idantificati	on humber (EIN)
John Smith	Exam	ple 1			111-11-11	111	Big Happy (City			1.000	00-0000)00
3 Street address	(including apartmer	ntrio.)					9 Street addres		orn or sulta no.)		10 Cont	act telephone n	umber
123 Main Stre	vet 👘						456 Big Ha	ppy Boulev	vard			333-333-	3333
4 City or town	5	State of provin	69	6 Counts	ty and ZIP or fore	ign postal code	11 City or town	Maria ang	12 State or pr	rovince	13 Cour	try and ZIP or for	eign postal code
Big Happy Cit	y G	eorgia		USA 4	14444-4321		Big Happy (City	Georgia		USA	4444-4444	
Part II Em	ployee Offer	and Cove	rage			67 1014 (L	1.0. (C.10.10)						
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10<u>95</u>-C Part II, Example 2 – ACA FTE, offered family coverage, enrolled part of the year in employee-only coverage as active employee.

Part Emp	oloyee						År	nlicable L	arne Emol	over Memb	er (Emplo	wer	
1 Name of employ John Smith 9 Street address (Exar	nple 2		2 Social	security number	(All Selection of the	10		nates nds Ju	•	yment	: July 5,	and
123 Main Stre	and the second						456 Big Ha	ppy Boulev	ard			333-333-	3333
4 City or town Big Happy City		5 State or provin Georgia	69		and ZIP or forsk 4444-4321	pi postal code	11 City or town Big Happy (City	12 State or p Georgia	rovince		ountry and ZIP or to A 4444-4444	eign postal code
Part I Emp	oloyee Offe	er and Cove	rage	an and		or butto	an seasons	we want t		in the second second		Via Contact	
erandi - *	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1E	1H	1H	1H	1H	1H
15 Employee Share of Lowest Cost Worthly Premium.		2 1								8			
Wonthly Premium, br Self-Only Winimum Visiue Coverage	\$	\$ 0.00	0.00	0.00	0.00 \$	0.00	\$0.00	0.00 s	S	\$	s	\$	s
16 Applicable Section 4980H Sate Harbor (enter code, l'applicable)		2C	2C	2C	2C	2C	2C	2C	2A	2A	2A	2A	2A

Line 14: Annual enrollment offer counts as an offer for months of actual employment or enrollment, so 1<u>E</u> (Everyone in Family offered coverage) is used for January – July; 1<u>H</u> (Heck, No offer of coverage) is used for August – December.

Line 16: No tack hammer penalty because 2<u>C</u> (<u>C</u>overed) for January – July; and 2<u>A</u>, not



employed on <u>A</u>ny day of month for August - December



10<u>95</u>-C Part II, Example 2.1 – ACA FTE, offered family coverage, enrolled in employee-only coverage as active employee, then as COBRA.

Part Emp	loyee						Bob t	ermina	ates en	nolovn	nent Ma	av 31. a	and
1 Name of employe	20			2 Social sea	urby number (SSN				• •		, ,	
COBRA Mid Y	ear Term	Bob Smith		12	3-22-345	6	selt-o	nly cov	/erage	ends ti	ne sam	e day. I	Bob
Street address (in	cluding apartm	nant no.)					enroll	ls in se	lf-only	COBR/	A for res	st of th	e
23 Main Stree	et								•				
4 City or town		5 State or provin	109	6 Country and	ZIP or tonaig	n postal code	year.	note: i	Part II I	OOKS LI	ne same	e as it	
ig Happy City	1	Georgia		USA 4444	4-4321		would	d if he	had no	t enrol	led in C	OBRA	
Emp	lowee Offe	er and Cove	ener				Part I	ll will s	how a	rtual m	onths o	h	
artin cinp	loyee on		nage									51	
	Al 12 Months	Jan	Føb	Mar	Apr	May	cover	age.					
	8	0	14 million 14		· · · · · · · · · · · · · · · · · · ·	6							
ovaraga (antar		1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H
ovarage (antar iquited code) 5 Employee Share		1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H
ovarage (antor aquited code) 5 Employee Share 1 Lowest Cost fonthly Pramium,		1E	1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H
overage (antor aquited code) 5 Employee Share 1 Lowket Cost Anithy Premium, or Self-Only Animum Value	\$	1E \$ 0.00			1E 0.00			1H \$	1H S	1H \$	1H \$	1H \$	1H S
4 Offer of overage (anter aquited code) 5 Employee Share 1 Lowket Cost forthy Premium, or Self-Only Animum Visue lowarage 6 Applicable action 4860H Sate lattor Jenter code.	\$							1H \$	1H \$	1H \$	1H \$	1H \$	1H S

Line 14: Annual enrollment offer to employee and family counts as an offer for months of actual employment or enrollment due to active employment, so $1\underline{E}$ (Everyone in Family offered coverage) is used for January – May; Even though Bob enrolled in COBRA, for Part II, enter $1\underline{H}$ (no offer of coverage) for June – December. Always leave Line 15 blank when Line 14 is 1H. $2\underline{A}$ in Line 16: No tack hammer penalty because not employed on Any day of those months. 10<u>95</u>-C Part II, Examples 2.2 – 2.5

For information about how to prepare forms when an employee has been offered COBRA due to a reduction in hours (and not due to termination of employment), please contact Alison Earles <u>aearles@gmanet.com</u>.



10<u>95</u>-C Part II, Example 3 – ACA FTE offered family coverage as new hire, enrolled in employee-only coverage after waiting period.

Part Emp	oloyee						A	pplicable I	Large Emplo	oyer Memb	er (Emplo	yer)	
1 Name of employ John Smith 9 Street address (123 Main Street	Exar noluding epertr	nple 3 Iantrio.)	,	2 Social	security number 111-11-11	Construction of	Marc	ch 1 af	ired Ja ter wai	•			
4 City or town Big Happy City		5 State or pro Georgia	selei		y and 21P or forek 4444-4321	și postal code	11 City or town Big Happy	a an	12 State or p Georgia	rovince	the second s	unity and ZIP or to 4444-4444	aign postal code
Rent II Emp	All 12 Months	Jan	Fab	Mar	Apr	May	Jure	July	Aug	Sept	Oct	Nov	Dec
14: Offer of Coverage (enter required code)	All off of Sales	1H	1H	1E	1E	1E	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost													
Northly Premium, for Self-Only Minimum Value Coverage	\$	s	s	<mark>\$</mark> 0.0	<mark>\$</mark> 0.0	0.0 \$	\$ 0.0	0.0 ء	0.0 <mark>۽</mark>	\$0.0	0.0\$	<mark>\$</mark> 0.0	<mark>\$</mark> 0.0
16 Applicable Section 4980H Safe Harbor (anter code, f applicable)		2D	2D	2C	2C	2C	2C	2C	2C	2C	2C	2C	2C

Line 14: **1H** - <u>H</u>eck, no offer of coverage for January and February, because of waiting period. New hire offer of enrollment for **1E** - <u>E</u>veryone in family for rest of the year. Line 16: No tack hammer penalty because John was in limited non-assessment period (2<u>D</u>) in January and February, and John was **2C** - <u>C</u>overed the rest of the year.



10<u>95</u>-C Part II, Example 4 – ACA FTE, offered family coverage, enrolled all year in family coverage.

Part Em	ployee	12000											
1 Name of emplo John Smith	Exar	nple 4		2 Social	security number				e Form for pur				Exampl oesn't
9 Street address 123 Main Stre		nantino.j					matt	er whe	ether de	epende	ents ac	tually	enroll.
4 City or town Big Happy Cit	ty	s State or provir Georgia	ddi.	CONTRACTOR OF A DESCRIPTION OF A DESCRIP	y and ZIP or foral 4444-4321	gn postal co	Big Happy		12 State or p Georgia	rovince	CONTRACTOR FOR LA	ity and ZIP or for 4444-4444	eign postal code
Part II Em	All 12 Months	ar and Cove Jan	Fab	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
5 Employee Shan f Lowest Cost Aonthly Premium, or Self-Only Animum Value Zoverage 6 Applicable Section 4080H Sah Section 4080H Sah Section 4080H Sah	\$ 0.00	2	s	\$	s	s f	itability 2014, he amily c coverag	e was c overag	offered	emplo	yee on	ly and	
applicable	2C		$\overline{}$										
No tack penalty employ actually	becau ee was	se	F	oremiu	t cost r um for yee-on		hly	<u>E</u> very	ecause one in age for	the far	nily wa	s offe	

10<u>95</u>-C Part II, Example 5 – ACA FTE, offered family coverage, enrolled all year in employee-only coverage, cost of employee-only coverage is \$75.

John Smith 9 Street address (123 Main Street	Exam holuding apartman	•		2 000	111-11-1		charg	es \$75	ample 5 for er			/ cover	age
4 City or town Big Happy City	y G	and the second second			ry and ZIP or for 14444-4321	ign postal conte			12 State or p Georgia	rovince		unity and ZIP or 1 4444-444	oreign postal code
Panti Emp	All 12 Months	Jan Gov	Fab Fab	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	All 12 Months Jaan Feb												
15 Employee Share of Lowest Cost Monthly Premium, tor Self-Only Minimum Value Coverage	All 12 Months Jan Feb far of age (onter ad obde) 1E Feb far of vost Cost dy Promium, if-Only um Value FC OO e				s	s	\$	s	s	\$	S	\$	s
18 Applicable Section 4980H Sate Harbor (antar code, If applicable)	2C							7.		÷.			

Remember, the tack hammer penalty won't apply if the individual actually enrolled and is marked as "2<u>C</u>" for the month. There is no need to explain why the \$75 cost meets an affordability safe harbor.





10<u>95</u>-C Part II, Example 6 – ACA FTE, offered family coverage, did not enroll, employed all year.

Part Emp	ployee						A	pplicable l	Large Empl	oyer Mem	ber (Emplo	yer)	
1 Name of employ John Smith 9 Street address (Exar	nple 6		2 Soci	al security numb 111-11-1	nd in the second			City cha ge and				
123 Main Stre		5 State or prov	mon.			dan analai anda		abbl nome	0		6 2205	333-333	
4 City or town Big Happy City	у	Georgia	uddi.		try and ZIP or for 44444-4321		Big Happy		Georgia			4444-444	the second s
Part II Emp	ployee Off	er and Cov	erage Feb	Mar	Apr	May	June	JUN	Aug	Sept	Oct	Nov	Dec
4 Offer of overage (enter sputed code)	1E,												
Employee Share Lowest Cost onthly Premium,	1	2 12				8				8			
r Self-Only Inimum Value overage	\$75.00	o <mark>s</mark>	s	\$	S	s	\$	s	s	\$	s	\$	S
6 Applicable ection 4980H Safe lathor (entercode, applicable)	2G							2.		- 6.5			

Everyone offered coverage for all 12 months, so still 1E even though John declined

By entering 2G, Big Happy City is telling the IRS that the tack hammer penalty won't apply because \$75 cost for employee-only coverage meets the federal poverty line safe harbor. (See Training Session 2, slide 45)



10<u>95</u>-C Part II, Example 7 – ACA FTE, offered family coverage, did not enroll, terminated employment in the middle of the month.

	loyee						Com			C hut	امهم	did not	مصرما		
1 Name of employ				2 Social	security number	(SSN)	Same	e as Ex	kample	o, dut	Joun	did not	enroll,		
John Smith	Exar	nple 7			111-11-11	11	and I	eaves	emplo	yment	mid-r	nonth.			
3 Street address (h	roluding apartm	ventino.)								,					
123 Main Stree	at in the second se						456 Big H	appy Boul	evard			333-333-	3333		
4 City or town	1000	5 State or provin	09	6 Country	and ZIP or foreig	n postal code	11 City or town	1	12 State of	province	130	Journey and ZIP or for	nign postal code		
Big Happy City		Georgia		USA 4	4444-4321		Big Happy	City	Georgia		US	A 4444-4444			
Part Emp	loyee Offe	er and Cove	rage					7							
eanil - A	All 12 Months	Jan	Fab	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1H	1H	1H	1H				
15 Employee Share of Lowest Cost															
Monthly Pramium, for Self-Only Minimum Value Coverage	\$	7 5.00	75.00	7 5.00	7 5.00	7 5.00	₹5.00	s	6	\$	\$	\$	s		
16 Applicable Section 4980H Safe Harbor (anter code, If applicable)		2G	2G	2G	2G	2G	2G	2B	2A	2A	2A	2A	2A		

Mid-month termination of employment for ACA Full-Time Employee NOT enrolled in coverage. Since John terminated employment in the middle of July, the offer of coverage during annual enrollment does not count as an offer for that month. So, 1H is entered for July. Since John was actually employed for part of July, must use 2B to show why no tack **CENCERA** hammer penalty. 2A (not employed on Any day of month) is used for rest of year.

10<u>95</u>-C Part II, Example 8 – Not an ACA FTE at any point of the year, enrolled as active employee for part of year, then no coverage

Part I Em	oloyee				10.1			ſ	Clau	ding		unt	orna	aint	ic a	Cou	incil			
1 Name of employ	ree				2 Soc	al security num	iber (SS	SN)	Clau	ume		un	erpo	JIII	15 d	CUL	IIICI	I		NI)
Claudine Cour	nterpoint -	Example 8				111-11-	1111		Mer	nhe	r R⊢	IC d	ete	rmir	her	she	is n	ot a	n	
3 Street address (including apartr	ment no.)			10		-		IVICI	inde	і. Di		etei		icu	3110	13 11	σια		1.0
123 First Stree	et								ACA	Full	-Tin	ne F	mn	love	e fc	or 20)15	She	wa	s
4 City or town		5 State or prov	vince		6 Coun	try and ZIP or fi	oreign p	ostal code					•	•						e
Big Happy Cit	-	Georgia			USA	44444-432	1		eligi	ble t	for (SME	EBS	cove	erag	re di	le to	o he	r	
Part II Em	ployee Off	er and Cov	/erag		- ¹⁰	-	- 12	S	U						Ŭ				-	
	All 12 Months	Jan		Feb	Mar	Apr		May	stati	us as	s a n	nen	nber	r of t	the	gov	erni	ng		- 50
14 Offer of Coverage (enter																0		U		1.0
required code)	1G								auth	norit	y. St	ne v	vas i	not	reel	lecte	ed, s	so he	er	
15 Employee Share																	24		1: .	
Monthly Premium,	Self-Only						_		COVE	erage	e tei	mi	nate		n ivi	arcr	131	. Sne	e aic	בו
for Self-Only Minimum Value	2			\$			not	مامم		חח	^									
Coverage	erage 5 5 5						3	0	not	elec		DR	4.							
16 Applicable																				100
Section 4960H Safe Harbor (enter code,																				
If applicable)																				
Part III Cov	ered Indiv	iduals																		
If En	nployer prov	ided self-ins	sured	coverage	, check th	e box and e	nter ti	he informat	tion for e	ach co	vered in	dividua	al. X							
	20038-02			50		1		1												72
(a) Name	e of covered ind	lividual(s)		(D)	SSN	(c) DOB (if a not available		(d) Covered all 12 month		Esh		A		Months		-	Cent	0.4	N	Dee
				22.567		TRUE GVGIS	innel	di 12 month	s Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
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17									×	\times	\mathbf{X}									
Claudine C	ounterpoin	t		111-1	1-1111			-	-	-			<u> </u>	-		-				
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18		Recal		cho	wasr	ot an	۸C	Δ Full.	Tim	Δ										
	Because she was no									C		0								
	Employee in any mont							IC ent	ers 1	G										
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							-			-										
		must	us	e 109	95-C F	orm b	eca	ause s	he w	/as										10.
GEOR	RGIA				_						1								1	
	CIPAL	an ac	tive	e em	ploye	e.														Slige 50
ASSOCI	ATION				. /															

10<u>95</u>-C Part II, Example 9 – Not an ACA FTE at any point of the year, not enrolled as active employee for any part of year, enrolled all year

Part Employee	1					Rapł	nael	Ret	iree	has	s bee	en	retir	ed f	rom	ו BH	С –
1 Name of employee			2 Socia	I security number (SSN)	for y	earg	s He	o rea	reiv	ed a	n i	mme	hia	te R	HC	0
Raphael Retiree - Exa	mple 9			111-11-111	1	101 y	cui	5. 110			cuu			Juiu			
3 Street address (Including ap	artment no.)					retir	eme	ent a	nnı	uitv	and	en	rolle	ed in	ו the	د د	
123 First Street										•							
4 City or town	5 State or provi	nce	and the second se	ry and ZIP or foreign	postal code	GME	BS	Retii	ree-	Onl	v He	ealt	h Pla	an. I	le r	Javs	1
Big Happy City	Georgia		USA 4	4444-4321							'						
Part Employee O						the e	entii	re co	ost (ot co	overa	age	e. He	wa	S		
All 12 Mon	iths Jan	Feb	Mar	Apr	May		11 a al	.	- 11 -	1							
14 Offer of Coverage (enter						enro	llea	TOr	all .	l Z m	nont	.ns.					
required code) 1G						-	-		-			-		_		_	
15 Employee Share of Lowest Cost																	
Monthly Premium, for Self-Only		1	£			. 1 0	:										
Minimum Value Coverage		s In	torm	ation fo	or Line	es T-p	is p	prov	aec	i on			\$	s		\$	
		G		Non-Er	nnlov		า+า	Eilo				-	7	-		-	
16 Applicable Section 4960H Safe		G	IVIA S	NOII-EI	прюу	ees D	ald	гпе									
Harbor (enter code, If applicable)												-					
Part III Covered Ind If Employer pr		ured coverage, o	check the	box and enter	the inform	nation for e	ach co	vered in	dividua	al. 🗙							
(a) Name of covered	Individualis)	(b) SS	N	(C) DOB (IT SSN	s (d) Cove	red				(e)	Months o	f Cover	rage				
(a) Name of covered	mannaala	(b) 55	~	not available)	all 12 mo	nths Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
							0.00	-	-		-	-		in the second	1000		
17 Raphael Retiree		111-11-	1111		\times												
18	Becaus	se he wa	s not	t an ACA	A Full-	Time	Em	plov	'ee i	n ar	ny m	non	th, E	внс			
								• •			'						
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	cnoser	<u>not to </u>			IUT K	apriae	l dl		iste	dù ľ	lave		eu B	•			
	Forms	prepare	d by	GMA, k	ecau	se Ra	pha	el w	as r	not e	enro	lle	d as	an			
GEORGIA	active	amplaire		ring the			•										
ASSOCIATION	active	employe	e au	ring the	e year	•											Slide 51

1095-C Part II, Example 10 – ACA FTE for part of year, offered and elected family coverage, at retirement enrolls family in retiree-only

plan

Part I Employee	,
1 Name of employee	
Ralph Mid Year Ret	irement, Enrolls in Retiree
3 Street address (including 123 Main Street	apartment no.)
4 City or town	5 State or province
Big Happy City	Georgia

Offer of family coverage at annual enrollment only counts while Ralph Jones was employed. **1E** for January – May. Ralph's active employment ends May 31. He enrolls family in Retiree-only plan. **IH** is entered for June – December. **2A** is entered in Line 16 because he was not employed on <u>Any</u> day of those months.

Employee Offer and Coverage

Plan Start Month (Enter 2-digit humber). Al 12 Months Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec 14 Offer of Covarage (antor 1E 1E 1E 1E 1E 1H 1H 1H 1H 1H 1H 1H laboo betuper 15 Employee Share of Lowiest Cost Monthly Promium, for Salf-Only 0.00 ¢ Minimum Valuo 0.00 ¢ 0.00 \$ 0.00 ¢ 0.00 ¢ S ŝ s s Coverage 16 Applicable Saction 4980H Safe Harbor Jantar coda. If applicable) 2C 2C 2C 2C 2C 2A 2A 2A 2A 2A 2A ZA

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)	ALCON	(c) DOB (ITSSN is	(d) Coverad			1.00		(0)	Months	of Covers	ige		1.111.14	223 2	
_	fel rene or covered antiotrapy	(b) SSN	not available)	all 12 months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17	Ralph Mid Year Retirement	123-22-3456		X												
18	Spouse of Jones	234-56-7899		X												
19	Child of Jones	345-67-8999		X												



10<u>95</u>-C Part II, Example 10.1 – ACA FTE for part of year, offered family coverage, at retirement enrolls in retiree-only plan and <u>dependents</u> <u>elect COBRA.</u> What if Ralph's dependents elect COBRA instead?

Part I Employee 1 Name of employee Jane Spouse New Retiree - Example 3 Street address (Including apartment no.) 123 First Street 4 Offvor town 5 State or provide			al security number	22	BHC Ralp COB	h's	wife	e Jai	ne b	eca	iuse	e she	e ele			or
4 City or town 5 State or provi Big Happy City Georgia	illa	and the second se	ry and ZIP or forei 44444-4321		Big Happ	y City	Sec.	Geo	rgia			US	SA 444	44-44	44	
Part II F ployee Offer and Cove	erage															
All 12 Months Jan 14 Offer of Coverage (enter required code) 15 Employee Share of Lowest Cost	Feb	Mar	Apr	May	For a sepa	•									G	-
Monthly Premium, for Self-Only Minimum Value Coverage	s s	5	\$	\$	\$	\$		\$		\$	1	5	\$		\$	
16 Applicable Section 4960H Safe Harbor (enter code, If applicable)				0												
Part III Covered Individuals If Employer provided self-inst	ured coverage,	check the	box and ente	er the inform	ation for e	ach co	vered in	ndividua	al. 🗙							
(a) Name of covered individual(s)	(b) SS	NI.	(c) DOB (IT SSI	V Is (d) Cover	ed		n – 7		(e)	Months	of Cover	age	y			
(a) Name of covered individuals)	(0) 55	11.4	not available	e) all 12 mon	ths Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17 Jane Spouse New Retiree	222-22-	2222						X	X	X	X	X	X	X	X	X
18 Henry Son New Retiree	333-33-	3333						\boxtimes	\mathbf{X}	\mathbf{X}	\boxtimes	\mathbf{X}	×	×	\boxtimes	\mathbf{X}
10							-									
GEORGIA MUNICIPAL	IA Active	e Dat	a File v	vill pro	ovide	the	info	orm	atio	on ir	n Lir	nes 2	1-6.			Sli

10<u>95</u>-C Form – Part III, Proof of Minimum Essential Coverage

- This part of the form tells the IRS and the primary responsible individual which months the primary responsible individual and his or her dependents had Minimum Essential Coverage.
- Reminder:
 - Anyone who was actually enrolled in GMEBS coverage for a month cannot trigger a Pay or Play Penalty for that month
 - Anyone who was actually enrolled in GMEBS coverage for a month cannot be penalized by the IRS for failure to have Minimum Essential Coverage for that month



GMA Data Files will provide information needed to complete Part III.



10<u>95</u>-C Form – Part III, Proof of Minimum Essential Coverage

- Participating Employer MUST complete Part III for any person who was an employee for one or more months (or a dependent of an employee) and who was enrolled at any time
- If an employee is covered as a dependent spouse or child of another employee, Part III should be completed only on the Form 1095-C for the employee who enrolled the dependent.





GMA Data Files







ACTIVE FILE (primary responsible individual = flagged as active employee during year or flagged as dependent of an active who selected independent COBRA during year)

Primary Responsible Individual ("PRI")

- First Name, Middle Initial, Last Name
- Street Address, Second Line of Street Address
- Country Code, State Code, Zip Code
- Social Security Number ("SSN")
- Last four digits of SSN
- Date of Birth (only if SSN unavailable)
- Effective Date of Enrollment
- Termination Date
- X in column labeled All 12 Months or X in a column labeled with month of the year to designate months of enrollment

Dependent

- Link to Primary Responsible Individual
- First Name, Middle Initial, Last Name
- SSN, Last Four Digits of SSN
- Date of Birth (only if SSN is not available)
- Effective Date
- Termination Date
- X in column labeled All 12 Months or X in a column labeled with month of the year to designate months of enrollment





NON-EMPLOYEES FILE (PRI NOT flagged as active employee or dependent of active employee at any time during year)

Primary Responsible Individual

- First Name, Middle Initial, Last Name
- Street Address, Second Line of Street Address
- Country Code, State Code, Zip Code
- Social Security Number ("SSN")
- Last four digits of SSN
- Date of Birth (only if SSN unavailable)
- Effective Date of Enrollment
- Termination Date
- X in column labeled All 12 Months or X in a column labeled with month of the year to designate months of enrollment

Dependent

- Link to Primary Responsible Individual
- First Name, Middle Initial, Last Name
- SSN, Last Four Digits of SSN
- Date of Birth (only if SSN is not available)
- Effective Date
- Termination Date
- X in column labeled All 12 Months or X in a column labeled with month of the year to designate months of enrollment



The Data File Elements will be the same as the Active File



1095-C PART III EXAMPLES





10<u>95</u>-C Form – Part III example 6 ACA Full-Time Employee Not Enrolled in any Month

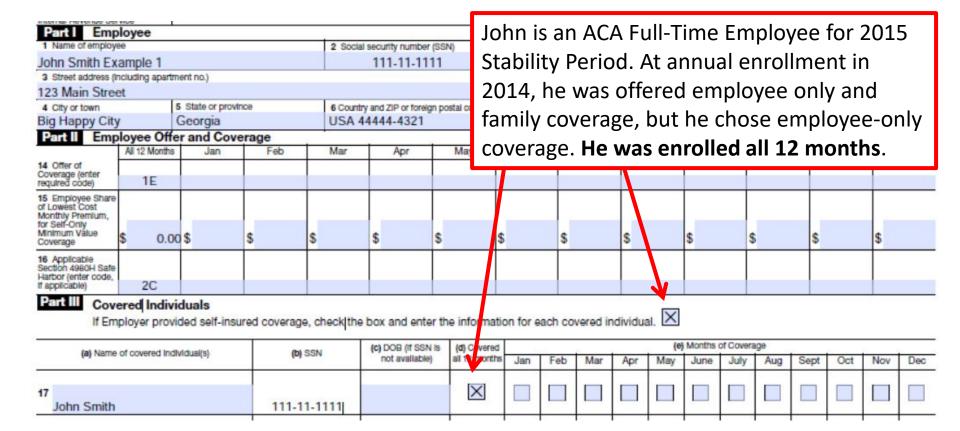
Internal Revenue Ser			5.00				-parate in										<u> </u>			
Part Emp									:~ ! !					~ ~ ~	с – с					
1 Name of employe	80				2 5	ocial security numb	er (SSN)	B	ig H	app	by C	ity c	nar	ges	212	o tor	em	ploy	yee-	
John Smith Ex	ample	6				111-11-1	111				-		المم	-	م ام	~ ~	+ .		. 11	
3 Street address (In	ncluding a	apartme	nt no.)					0	niy	COV	erag	ge al	na J	onn	ao	es r	IOT E	enro	<i>)</i> .	
123 Main Stree	et							1.10	U Dig I		Donio	an a					5	00-000	-0000	
4 City or town			State or prov	Ince	6 Co	untry and ZIP or for	eign postal o		City or to			and the second se	ate or pro	wince				nd ZIP or ft		tal code
Big Happy City	1	G	eorgia		US	A 44444-4321		Big	g Happ	y City		Geo	rgia			US	5A 444	44-444	44	
Part II Emp	loyee	Offer	and Cov	erage																
	AE 12 M	onths	Jan	Feb	Mar	Apr	Ma	y .	June		July	A	ug	Sep	pt	Oct		Nov	1	Dec
14 Offer of Coverage (enter required code)	16																			
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage		75.00	\$	\$	s	\$	s	\$		\$		\$		\$	49	5	\$		\$	
16 Applicable Section 4980H Safe Harbor (enter code, If applicable)	20	3	-																	
	ered ir ployer			ured cover	age, check	the box and en	ter the inf	formatio	on for e	ach co	vered ir	dividua	al. 🔲							
fel biene		of leads i	de contra l		IN CON	(c) DOB (If St	SN Is (d)	Covered					(e)	Months	of Covera	ige				
(a) Name	of covere	sa inaivi	ouar(s)		(D) SSN	not availab		2 months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17							1													
(a) Name	of covere	ed Indivi	dual(s)		(d) SSN				Jan	Feb	Mar	Apr			-	-	Sept	Oct	Nov	/]

If ACA Full-Time Employee did not enroll, leave Part III BLANK. Do not check any boxes. Remember, there will not be any information about this person in GMA Data Files.





1095-C Form - Part III example 1 ACA Full-Time Employee Enrolled all 12 Months





GMA Active Data File will show coverage for all 12 months



1095-C Form - Part III example 2 ACA Full-Time Employee Enrolled as Active Employee Part of Year, then termed

									Joł	n te	erm	ina	tes e	emp	loy	mer	nt Ju	ıly 5	, an	d
Part Emp	oloyee							\top		Ora		anc	le Iul	v 2'	1 1	ohn	doe	s no	ים דר	nroll
1 Name of employ					2 Social	security numb	er (SSN)	7	CON	Cia	ige c		13 JU	y J.	L. J	Jiii	uue	5 110	ле	
John Smith Ex	ample 2					111-11-1	111	B	in (BRA.	Ра	rt III	sho	ws	COV	erag	e fo)r	
3 Street address (In	ncluding apartr	nent no.)						9						00		001			· •	
123 Main Stree	et							4	lan	uar	ту — .	luŀ	V.							
4 City or town		5 State or p	rovince	e	6 Countr	y and ZIP or for	eign postal cod	e 11	341	aai	y		<i>.</i>							
Big Happy City	y	Georgia			USA 4	4444-432	1	Bi	д Нарр	y City		Ge	orgia			U	5A 444	44-444	4	
Part II Emp	oloyee Off	er and C	over	age				-						_						
	All 12 Months	Jan		Feb	Mar	Apr	May		June		July		lug	Sep	ot	Oct		Nov)ec
14 Offer of Coverage (enter		45		45	45	15	45		45		45					1				
required còde)		1E	_	1E	1E	1E	1E	_	1E	_	1E		1H	11	1	1H		1H	<u> </u>	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ C	0.00	\$ 0.00	\$ 0.00	o \$ 0.0	00 \$ 0.	.00 \$	6 0	.00 \$	0.0	0 1		\$		\$	\$		\$	
16 Applicable Section 4980H Safe Harbor (enter code, If applicable)		2C		2C	2C	2C	2C		2C		2C		2A	, 24		2A		2A		2A
	4 4 4 4			20	20	20	20		20		20	-	ZA	6	1	24		ZA		LA
	ered Indiv	iduals ided self-i	nsure	ed coverage	, check the	box and er	ter the infor	mati	ion for e	ach co	vered i	divid	ual. 🗙							
(a) Nama	of covered ind	hddual/s)		(b) :	PEN	(c) DOB (If S	SN Is (d) Co	vered					(e)	Months	of Cover	rage				
(a) Name	or covered inc	iviouai(s)		(0)	san	not availab	ole) all 12 m	onths	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
												-								_
17 John Smith				111.11	1-1111				\times	X	X	\times	\times	\times	\times					



GMA Active Data File will show coverage for each month



1095-C Form - Part III example 2.1 – ACA Full-Time Employee Covered as Active, then Covered as COBRA

Bob Smith terminates employment May 31, and coverage ends May 31. Bob and family are enrolled in COBRA for the rest of the year.

art || Employee Offer and Coverage

	All 12 Months	Jan	Feb		Mar	Apr	May	June		July	1	lug.	Sep	1	Oct		Nov	1)ec
4 Offer of	Par 12 MOTULE	Jan	reu	-	rendi	Apr	may	June	-	July	- '	шy	06	<i>n</i>	UCI	-	NUV		ABU .
overage (enter quired code)		1E	1E		1E	1E	1E	1H		1H		IH	11-	+	1H		1H		н
Employee Share																			
onthly Premium, r Self-Only Inimum Value overage	s	\$ 0.00	\$ 0	.00	\$ 0.00	\$ 0.00	\$ 0.00	\$	\$		\$		\$	9	6	\$		\$	
Applicable ection 4960H Safe arbor (enter code,										~ *									
applicable)	ered Individ	2C	2C		2C	2C	2C	2A		2A		2A	2/	1	2A		2A		2A
If Em	ployer provid	ded self-insu	red cover	rage	, check the	box and ente			ach co	vered in	dividua			10					
(a) biama	of onumed indu	det united		dea c	CAL	(c) DOB (If SSM	Is (d) Covere	1				(e)	Months (of Covera	age				
(a) Name	of covered indiv	ridual(s)		(b) S	ISN	(c) DOB (If SSM not available	(d) Covere all 12 mont	1 15 Jan	Feb	Mar	Apr	(e) May	June	July	Aug	Sept	Oct	Nov	De
(a) Name			h 12		2-3456	(C) DOB (If SSM not available	(d) Covere all 12 mont		Feb	Mar	Apr				-	Sept	Oct	Nov	De
	d Year Tern			3-22		(c) DOB (if SS) not available) all 12 mont		Feb	Mar	Apr				-	Sept	Oct	Nov	De



GMA Active Data File will show coverage for all 12 months



1095-C Form Part III example 4 – ACA Full-Time Employee and Dependents Enrolled, New Dependent Mid-Year

Internal Heverice Service																
Part Employe	e					Annly	and a	0100				Enn	award.			
1 Name of employee	100101		2 Social security number (S		hn i	s an	ΔC	ΔFι	III-T	ime	Fm	nplo	Vee	for	201	5
John Smith Exampl	the second second distance and but second distances and the		111-11-111	10		Jun	7.07	NIC		mic	L 11	ipio	ycc	101	201	
3 Street address (Includin	ig apartment no.)			Sta	ahili	tv P	Peric	n P	ohn	ch	ารค	fam	ilv d	$\sim \sim $	raσ	ρ
123 Main Street				50		cy i	CIIC	u. j	onn		J 3C	Iun	iiiy (Jug	ι.
4 City or town	5 State or provin		6 Country and ZIP or foreign	postal C	an	d hi	c \//i	fo 🗤	ioro	on	rolla	ed a	11 1 1	m	ontk	וכ
Big Happy City	Georgia		USA 44444-4321			u m	5 991		vere	CIII		cu a	II 12		onti	13,
Part I Employe	e Offer and Cove	rage	100	Ne	wh	orn	Smi	th'c	551		ac n	ot a	vail	ahla		`
All 12	2 Months Jan	Feb	Mar Apr	Ma			5111	th S	551		13 11		van	abit	., 30	,
14 Offer of Coverage (enter	15			Da	ite c	of Bi	rth	is u	sed.							
requires over j	1E															
15 Employee Share of Lowest Cost Monthly Premium.																
for Self-Only															-	
Coverage \$	0.00\$ Th	is inform	nation is pro	ovided	on	GM	A A	ctive	e Da	ita F	ile					
16 Applicable			· · ·			_		_			_		_		_	
Section 4980H Safe Harbor (enter code, If applicable)	2C															
Part Covered	Individuals														_	
COVELCU		ed coverage, ch	eck the box and enter	the informati	on for a	ach co	warad in	dividue								
in Employe	a provided sen-insu	eu coverage, chi	eorgine box and enter	ule informati		aur co	VOI OU II	i un vi u u u	31.							
(a) biama of one	ered individual(s)	(D) SSN	(c) DOB (IT SSN Is	(d) Covered			·		(e)	Months	of Covera	age	v			
(a) Name of COV	ered individual(s)	(D) SSN	not available)	all 12 months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
	V				-			-			_		I	-		
17		1.000.000		\times												
John Smith		111-11-11	11	_	-	-	-					-				
																_
18		000 00 00		X												
Mary Smith		222-22-22	.22		-											
40																
19 Newborn Smith			10/1/2015											×	\times	×
Newborn Smith		-	10/1/2015	-	-	-	-		-		-	-	-	-		
											•					- A. A.





10<u>95</u>-C Part III, Example 8 – Not an ACA FTE at any point of the year, enrolled as active employee for part of year, then no coverage

THE REPORT OF A DESCRIPTION OF A DESCRIP								
Part I Emp	loyee			100			Claudine Counterpoint is a Council	
1 Name of employ	88			2 So	cial security nu	mber (SSN)	Claudine Counterpoint is a Council	P
Claudine Cour	terpoint -	Example	3		111-11	-1111	Member. BHC determined she is not an	
3 Street address (I	ncluding aparts	ment no.)		16				
123 First Stree	t						ACA Full-Time Employee for 2015. She was	
4 City or town		5 State or pr	ovince	6 Cou	ntry and ZIP or	foreign postal code		e
Big Happy City		Georgia		USA	44444-43	21	eligible for GMEBS coverage due to her	
Part II Emp	loyee Off	er and Co	verage	- 14 - 14 - 14 - 14 - 14 - 14 - 14 - 14				
	All 12 Months	Jan	Feb	Mar	Apr	May	status as a member of the governing	
14 Offer of Coverage (enter	10	1					5 5	
required còde)	1G						authority. She was not reelected, so her	
15 Employee Share of Lowest Cost							coverage terminated on March 31. She did	
Monthly Premium, for Self-Only							0	
Minimum Válue Coverage	\$	\$	\$	S	\$	\$	not elect COBRA.	1
16 Applicable Section 4980H Safe Harbor (enter code,								_

Covered Individuals

ORGIA

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 (IT SSN Is	(d) Covered				2 5	(e)	Months	of Covera	ige	0			
a hane of covered individual(s)	(b) SSIV	not available)	all 12 months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17 Claudine Counterpoint	111-11-1111			X	X	\boxtimes									
18															
					•	•		•	•						

GMA <u>Active</u> Data File will provide this information, because she is flagged as enrolled due to active employment during the year.



10<u>95</u>-C Part III, Example 9 – Not an employee at any point of the year, enrolled as a retiree for entire year.

Part I Em										Appli	cable I	arge	Emplo	ver Me	embe	r (Emp	lover)			<u>.</u>
1 Name of employ					2 Soci	al security numb	er (SSN	7	Name of			9					Employe	ridentifica	tion num	ber (EIN)
Raphael Retin	ee - Exami	ple 9				111-11-1	111	B	ig Happ	v City								00-00	000	
3 Street address (10.0		Street ad			om or sult	te no.)			10	Contact t	lelephone	number	
123 First Stree	et							4	56 Big I	Happy	Boulev	/ard					3	33-333	-3333	
4 City or town		5 State or pro	vince		6 Coun	try and ZIP or for	eign pos	tal code 11	City or to	wn		12 St	ate or pro	wince		13	Country a	nd ZIP or t	oreign pos	tal code
Big Happy Cit	у	Georgia			USA	44444-4321	1	B	ig Happ	y City		Geo	rgia			U	SA 444	44-44	44	
Part II Em	ployee Off	er and Co	verage		3															
100 C	All 12 Months	Jan	Feb		Mar	Apr		May	June		July	1	lug	Sep	ot	Oct		Nov	1	Dec
14 Offer of Coverage (enter required code)	1G																			
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$		\$	\$:	\$	\$		\$		\$	1	\$	\$		\$	
16 Applicable Section 4960H Safe Harbor (enter code, If applicable)																				
Part III Cov	nployer prov	iduals vided self-ins	sured covera	ge, ch	leck th	e box and en	nter the	informat	ion for e	ach co	wered in	ndivídua	al. 🗙							
(a) Name	e of covered inc	fividual(s)	0	SSN		(C) DOB (IT SI		(d) Covered	_		1			Months	of Cover	-		1		
						notavallat	ole)	all 12 month	s Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17 Raphael Re	etiree		111.	11-11	111			X												
18																				
	_																			
	GI	ИА <u>No</u>	on-Emp	loy	<u>/ees</u>	<u>s</u> Data l	File	will	prov	ide	em	ploy	'ee i	nfoi	rma	ntior	n in	Line	s 1-	6
GEORG		d will	provid	e ir	nfor	matior	n fo	r Par	t III,	bec	aus	e Ra	pha	el v	vas	enr	olle	d, bı	ut	
MUNICI		ever fla	agged a	as e	enrc	olled du	le t	o act	ive e	emp	oloyı	men	it du	uring	g th	e ye	ear.			Slice 🔇

10<u>95</u>-C Part III, Example 10 – Enrolled as active employee with family coverage part of year, enrolled as retiree with family coverage part of year.

Part I Em	ployee								Appeic	able L	.arge I	Emplo	yer Me	ennber	r (Emp	loyer)			
1 Name of employ	1					al security number (5	ssnj	7 Name of a	ampioyar						8	Employu	r identifica	tion num	ber (EIN
Ralph Mid Ye	ear Retirem	ent, Enr	olls in	Retiree Pl	an	123-22-3456	5	Big Happ	y City							-	00-000	000	
3 Street address	(including aparts	mant no.)						9 Street ad	and the second second second	the second s		(.on et			10	Contact (telephone	number	1
123 Main Str	eet							456 Big H	Happy I	Boulev	ard					3	33-333	-3333	
4 City or town		5 State of	province	a :	and the second se	try and ZIP or foreign		the second s			12 51	tate or pro	Nince		13	Country a	nd ZIP or t	oraign post	tal code
Big Happy Ci	ty	Georgia	1		USA 4	14444-4321		Big Happ	y City		Geo	rgia			US	SA 444	44-444	14	
Part II Em	ployee OX	er and	Covera	age	11			Plan Sta	art Mor	nth (Ent	ter 2-di	git num	ber):						
	All 12 Months	Ja	n	Feb	Mar	Apr	May	June		July	1	lug	Se	pŧ	Oct		Nov	1)ec
14 Offer of Coverage (enter equited code)			-	1E	1E	1E	1E	1H		1H	-	1H	11	4	1H		1H	1	IH
5 Employee Share	0			TL.	11	IL.	16			111					- 10		10		
of Lowest Cost																			
																		_	
Aorithly Pramium, or Salt-Only Ainimum Value Sovarage	\$		0.00	0.00	•	Ŷ		÷	s	_	s		\$	\$	6	\$		\$	
GMA <u>A</u> Part III,	becau)ata se R	File alpł	will p n and	rovide deper	e inform ndents w	ation vere f	for Li lagge	d as						2A	\$	2A	ľ	ZA
GMA <u>A</u> Part III,	becau)ata se R	File alpł	will p n and	rovide deper	e inform	ation vere f	for Li lagge	d as						ZA age Aug	\$ Sept	2A Oct	ľ	ZA Dec
GMA <u>A</u> Part III, Ralph's	becau)ata se R	File alpł	will p n and	rovide deper	e inform ndents w	ation vere f ry – N	for Li lagge	d as						aga	\$ Sapt			ZA Doc
GMA <u>A</u> Part III, Ralph's	becau	oata se R em	File alpł	will p n and ment	rovide deper	e inform ndents w	ation vere f	for Li lagge	d as						aga	\$ Sept			ZA
GMA <u>A</u> Part III, Ralph's	becau active Year Retire	oata se R em	File alpł	will p n and ment 123-2	rovide deper durin	e inform ndents w	ation vere f ry – N	for Li lagge	d as						aga	Sapt			ZA Dec
GMA <u>A</u> Part III, Ralph's	becau active Year Retire Jones	oata se R em	File alpł	will p n and ment 123-2 234-5	rovide deper durin	e inform ndents w	ation vere f ry – N	for Li lagge	d as						aga	Sopt			Dac





10<u>95</u>-C Part III, Example 10.1 – What if Dependents separately elected COBRA part of year? BHC must file a separate Form 1095-C for Ralph's wife Jane because she elected COBRA for herself and their son after Ralph retired. Part Employee 1 Name of employee 2 Social security number (SS Jane Spouse New Retiree - Example 10.1 222-22-2222 **Big Happy City** 00-00000 3 Street address (including apartment no.) 9 Street address (including room or suite no.) 10 Contact telephone number 123 First Street 456 Big Happy Boulevard 333-333-3333 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 USA 44444-4321 **Big Happy City** USA 44444-4444 Big Happy City eorgia Georgia Part I Employee Offer and Coverage All 12 Months Feb Mar May June July Aug Nov Dec 14 Offer of Coverage (enter GMA **Active** Data File will provide employee information in Lines 1-6 and will required code) 15 Employee S of Lowest Cost provide information for Part III, because Jane and Henry were flagged as Monthly Premiu for Self-Only Minimum Value enrolled due to Ralph's active employment for part of the year. Coverage 16 Applicable Section 4980H Harbor (enter code, If applicable) **Covered Individuals** \times If Employer provided self-insured coverage, check|the box and enter the information for each covered individual. (c) DOB (IT SSN Is (e) Months of Coverage (d) Covered (b) SSN (a) Name of covered individual(s) not available) all 12 months Mar Aug Nov Jan Feb Apr May June July Sept Oct Dec X X X X X X × X X 17 Jane Spouse New Retiree 222-22-2222 X X X X X X X \times X 333-33-3333 Henry Son New Retiree





FILING AND DELIVERY









Complete 10<u>95</u>-C Form Two Times

- Print horizontally
- The IRS gets a copy of the 1095-C with Full Social Security Numbers
- ACA Full-Time Employees and enrolled primary responsible individuals get a copy of the 1095-C with only the last four digits of the SSN
- The 1095-C goes to the individual identified in Lines 1-6, even if enrolled dependents live at different addresses. A dependent who made a separate COBRA election will have his or her own 1095-C Form, with address listed in Lines 1-6.
- The employer may provide the exact same form to both the IRS and the individual, with the full SSN





Filing with the IRS

- Employer must file all 10<u>95</u>-C Statements with Full SSN along with the 10<u>94</u>-C Transmittal Form to the IRS.
- All employers may file electronically with the IRS.
- Only employers filing fewer than 250 forms may file by mail.

IRS

General deadline for filing is last day of Feb.
 of the year following the year being
 reported (if filing by mail) or 3/31 (if filing electronically).



Delivery of 10<u>95</u>-C to ACA FTE/Primary Responsible Individual

- In general, must be <u>mailed</u> by <u>first class mail</u> to the last known permanent address, or if none know, to temporary address.
 - Electronic delivery is permitted but must follow consent rules (big hassle)
 - General Deadline is 1/31 of year following the year being reported (BEFORE the IRS deadline)
- For active employees only, the statement may be handdelivered in accordance with W-2 delivery rules.





Delivery of 1095-C to ACA FTE/PRI

 Retirees, COBRA enrollees, individuals who were ACA FTEs or enrolled during year, but are not active employees at time of delivery: mail or electronic (consent rules apply)





 Active Employees (active at time of delivery): mail or hand-delivery or electronic (consent rules apply)



Penalties

- If employer <u>intentionally disregards reporting rules</u>, \$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 for 2015 tax year- they are indexed for inflation and will vary each year. For example, for the 2017 filing of 2016 tax year, the "per Form" penalty is \$260.





Penalties

- Penalties for failure to file the forms are separate from Sledgehammer and Tack Hammer Pay or Play Penalties.
- Keep careful records!
 - Eligibility for 50-99 one year delay (for 2015 year only)
 - Identification of ACA Full-Time Employees
 - Proof of Limited Assessment Periods, Initial Measurement Periods
 - Proof that enrollment documents were provided (showing offer actually made)
 - Proof of satisfaction of affordability safe harbors





3

For more information...

ALISON CLINE EARLES

Associate General Counsel Georgia Municipal Association Office: 678.651.1028 Fax: 678.651.1029

aearles@gmanet.com



