

This Webinar Will Start Momentarily. Thank you for joining us.



ACA Reporting, Are You Ready? For 2023 Calendar Year Reporting

Presented By: Scott Wold and Daniel Brady Brown & Brown Regulatory and Legislative Strategy Group



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Forms 1094-A & 1095-A

Marketplace (Exchange)



Forms 1094-B & 1095-B

Issuers, non-ALEs that are self-insured and ALEs reporting coverage under self-insured plan for nonemployees



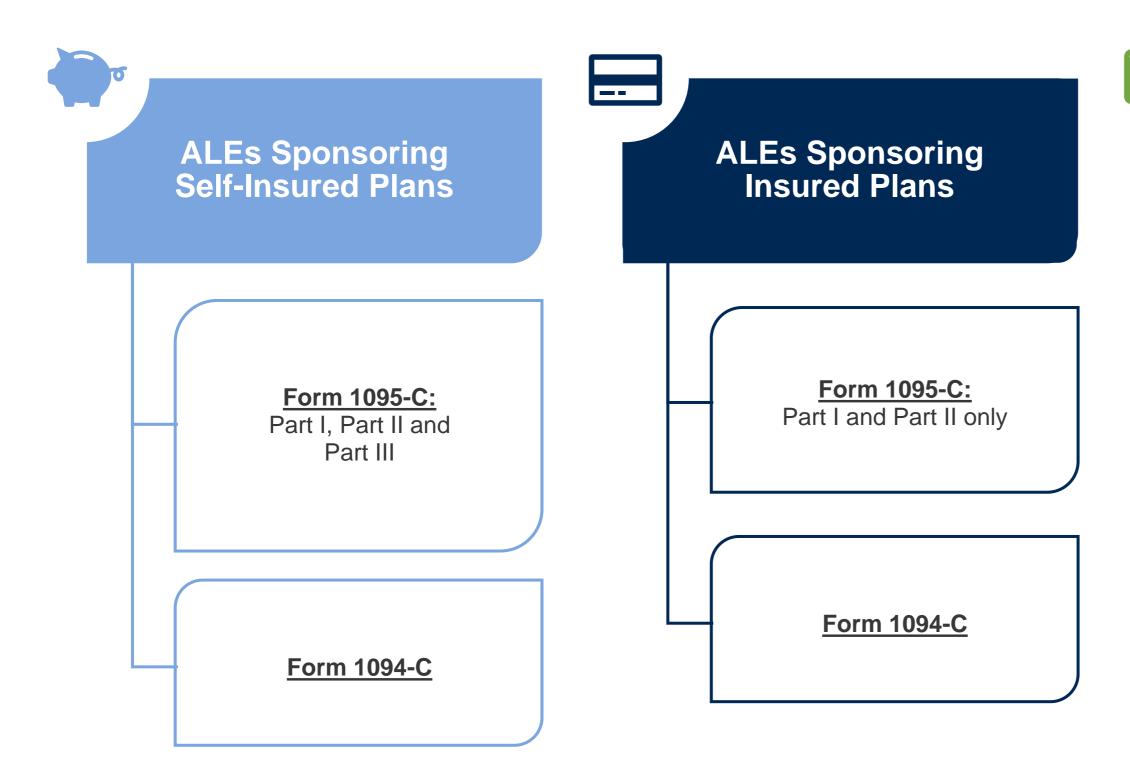


Forms 1094-C & 1095-C

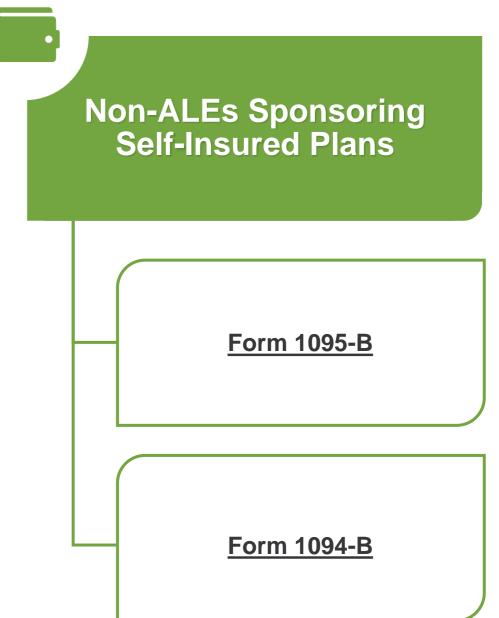
Applicable Large Employer (ALE)

ALE = Employer that employed on average at least 50 FT and FTE employees in prior calendar year

The Big Picture







Reporting Deadlines – Statements to Employees

Due Date for Furnishing Forms 1095-B and 1095-C

- March 1, 2024 (30 days from January 31)
 - » Paper delivery
 - » Electronic only if the individual has consented to electronic delivery of the 1095 (in writing)
 - » No additional extensions for furnishing 1095 Forms
- An ALE member must furnish a Form 1095-C to each of its full-time employees by March 1, 2024, for the 2023 calendar year.
- A non-ALE member sponsoring a self-insured group health plan must furnish Form 1095-B to covered employees by March 1, 2024, • for the 2023 calendar year.

Alternate Method for Furnishing Form 1095-B or Furnishing Form 1095-C to Individuals that are not FT EEs

- Alternative method for furnishing 1095-B forms to participants: By a clear and conspicuous posting on the coverage provider's website, • stating that responsible individuals may receive a copy of their statement upon request.
- ALEs (Applicable Large Employer) who provide self-insured coverage may also use this relief for individuals covered by the health plan • that are **not** full-time employees of the ALE (e.g., part-time employees, COBRA participants, retirees). However, ALEs may **not** apply this alternative method when furnishing Forms 1095-C to full-time employees enrolled in the ALE's self-insured plan.



Reporting Deadlines – Filing with IRS

Deadline to File Forms 1094 and 1095 B/C with IRS

- February 28, 2024, if filing on paper
- April 1, 2024, if filing electronically
 - » Beginning in 2024, ALEs/plan sponsors that issue ten (10) or more returns in aggregate (meaning all forms/returns filed with the IRS, including W-2s, 1099s, etc.) *must* file the Forms 1094-B/C and 1095-B/C electronically.
 - > Up to a 30-day extension may be requested by filing Form 8809, Application for Extension to File Information Returns prior to the original 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.

Reporting Penalties

Imposed if furnishing and/or reporting deadlines are missed or incorrect information is furnished/reported:

- \$310 penalty for each form (can apply twice if failures relate to IRS submission and individual copy)
- Capped at \$3,783,000 (again, can apply twice)
- Errors corrected on or before 30 days after required filing date = \$60 (\$630,500/\$220,500 calendar year maximum)
- Errors corrected after 30th day but on or before August 1, 2024 = \$120 (\$1,891,000/\$630,500 calendar year maximum)
- "Good Faith" compliance relief no longer applies (reasonable cause relief may still be available if the filer establishes that the failure resulted either from significant mitigating factors or events beyond the filer's control)

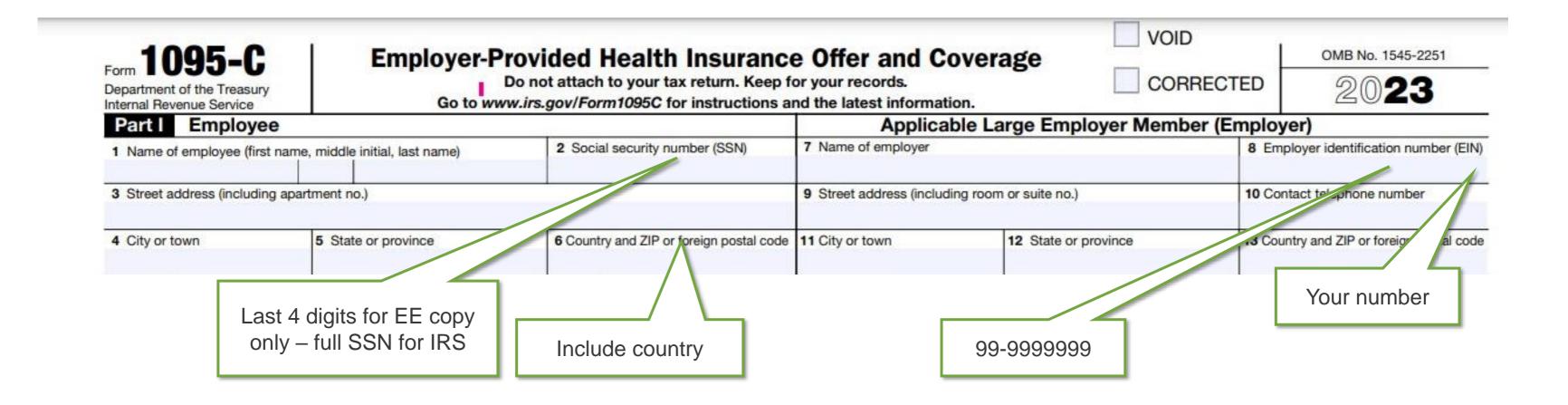




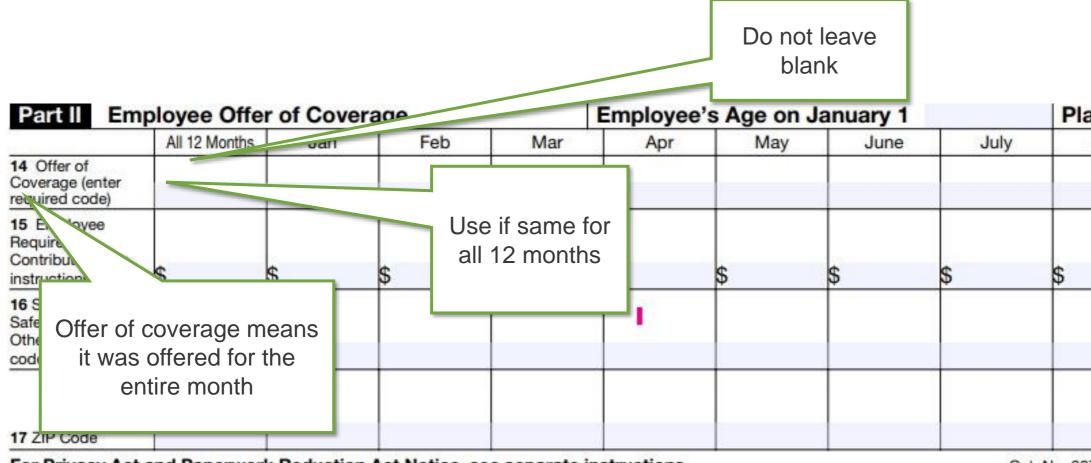
Form 1095-C



Form 1095-C – Part 1







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

Cat. No. 60



an Sta		enter 2-digit i		
Aug	Sept	Oct	Nov	Dec
	\$	\$	\$	\$
		1		
0705M			Form	1095-C

1A	Qualifying Offer: MEC providing MV offered to employee that is affordable under FPL safe harbor and
1B	Minimum essential coverage providing minimum value offered to employee only
1C	MEC providing MV offered to employee and at least MEC offered to dependent(s) (not spouse)
1D	MEC providing MV offered to employee and at least MEC offered to spouse (not dependent(s))
1E	MEC providing MV offered to employee and at least MEC offered to dependent(s) and spouse
1F	MEC but NOT MV offered to employee, or employee and spouse or dependent(s), or employee, spou
1G	Offer of coverage to employee who was not full-time for any month of the calendar year and who enrous the calendar year
1H	No offer of coverage (or employee offered coverage that is not MEC)
11	Reserved
1J	MEC providing MV offered to employee and at least MEC conditionally offered to spouse (but no MEC
1K	MEC providing MV offered to employee and at least MEC offered to dependents and at least MEC co



nd at least MEC offered to spouse & dependent(s)

ouse and dependents

rolled in self-insured coverage for one or more months of

EC offered to dependents)

conditionally offered to spouse

Form 1095-C Individual Coverage HRA (ICHRA)

1L	ICHRA offered to employee only with affordability determined by using employee's primary residence
1 M	ICHRA offered to employee and dependents with affordability determined by using employee's primar
1N	ICHRA offered to employee, spouse and dependents with affordability determined by using employee
10	ICHRA offered to employee only using the employee's primary employment site zip code affordability
1P	ICHRA offered to employee and dependents using the employee's primary employment site zip code
1Q	ICHRA offered to employee, spouse and dependents using the employee's primary employment site a
1R	ICHRA that is not affordable offered to employee, employee and spouse or employee, spouse and de
1S	ICHRA offered to an individual who was not a full-time employee
1T	ICHRA offered to employee and spouse (not dependents) with affordability determined using employe
1U	ICHRA offered to employee and spouse (not dependents) using employee's primary employment site



e location zip code

- ary residence location zip code
- ee's primary residence location zip code
- y safe harbor
- e affordability safe harbor
- e zip code affordability safe harbor
- dependents

yee's primary residence location ZIP code

e ZIP code affordability safe harbor

onths J	lan I					nuary 1			rt Month (e	neor E angre	nanno ory.	
	lan i	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
	Employe	ee share	of the lov	vest								
\$					\$	\$	\$	\$	\$	\$	\$	\$
		0										
	\$	s cost mor only MV t	s cost monthly pre only MV coverag that emp	cost monthly premium for only MV coverage availab that employee	 cost monthly premium for self- only MV coverage available to that employee 	<pre>\$ cost monthly premium for self- only MV coverage available to that employee for the self- self</pre>	 cost monthly premium for self- only MV coverage available to that employee 	s cost monthly premium for self- only MV coverage available to that employee	s cost monthly premium for self- only MV coverage available to that employee s s s Image: Cost monthly premium for self- only MV coverage available to that employee Image: Cost monthly premium for self- only MV coverage available to that employee s s s Image: Cost monthly premium for self- only MV coverage available to that employee s s s s Image: Cost monthly premium for self- only MV coverage available to that employee Image: Cost monthly premium for self- that employee s s s Image: Cost monthly premium for self- that employee Image: Cost monthly premium for self- that employee s s s s Image: Cost monthly premium for self- that employee Image: Cost monthly premium for self- that employee s s s s Image: Cost monthly premium for self- that employee Image: Cost monthly premium for self- that employee s s s s Image: Cost monthly premium for self- that employee Image: Cost monthly premium for self- that employee s s s s Image: Cost monthly premium for self- that employee Image: Cost monthly premium for self- that employee s s s s Image: Cost monthly premium for self- that employee	\$ cost monthly premium for self- only MV coverage available to that employee \$ <td>\$ cost monthly premium for self- only MV coverage available to that employee \$<td>s cost monthly premium for self- only MV coverage available to \$ <</td></td>	\$ cost monthly premium for self- only MV coverage available to that employee \$ <td>s cost monthly premium for self- only MV coverage available to \$ <</td>	s cost monthly premium for self- only MV coverage available to \$ <

Leave blank if using Codes 1A, 1F, 1G, 1H, 1R or 1S in box 14

- 1A Qualifying Offer
- 1F MEC but not MV

• 1H No offer

• 1G Offer to employee who was not an FTE and enrolled in self-insured coverage

- 1R Unaffordable ICHRA
- 1S ICHRA offered to non-full-time employee
- If cost is \$0, use \$0



• Use "All 12 Months" if cost does not change and offered all 12 months

Part II Em	oloyee Offe	loyee Offer of Coverage				Employee's Age on January 1					
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug		
14 Offer of Coverage (enter required code)											
15 Employee Required Contribution (see					cted coverage iling to offer a	•					
instructions) 16 Section 4980H	\$		•		neasurement	• •	•		\$		
Safe Harbor and Other Relief (enter		of affo		•	bject to the a vaived such o			rs) the			
code, if applicable)								-			
17 ZIP Code											
For Privacy Act	and Paperwor	k Reduction	Act Notice, se	ee separate	instructions.			Ca	. No. 60705M		

Instructions provide an ordering rule for the codes

- 2C Employee enrolled in the coverage
- 2A Employee not employed during the month
- 2B Employee not an FTE (and did not enroll in coverage)

- •
- 2E Multiemployer 4980H interim rule relief ٠
- FPL)

Leave blank if there is no applicable code



Aug	Sept	Oct	Nov	Dec
	\$	\$	\$	\$
705M			-	1095-C

Dian Start Month (antor 2 digit number):

2D Employee in a limited non-assessment period

4980H(b) affordability safe harbor (2F W-2, 2H rate of pay or 2G

2A	Employee not employed during the month
2B	Employee not a full-time employee, or full-time employment and offer of coverage ended before end
2C	Employee enrolled in coverage offered
2D	Employee in a section 4980H(b) Limited Non-Assessment Period
2E	Multiemployer interim rule relief
2F	Section 4980H affordability Form W-2 safe harbor
2G	Section 4980H affordability federal poverty line safe harbor
2H	Section 4980H affordability rate of pay safe harbor
21	Reserved





Affordability Safe Harbor

2023 Affordability Safe Harbors

- Codes 2F, 2G and 2H
- The safe harbor percentage for plan years beginning in 2023 is 9.12% (IRS Rev. Proc. 2022-34)
 - » Decreases to 8.39% for plan years beginning in 2024
- Three affordability safe harbors
 - The employee's W-2 wages (Box 1) X safe harbor percentage
 - Compare to annual employee cost of coverage (self-only under lowest cost option providing MV)
 - » The employee's rate of pay (hourly wage rate) X 130 hours per month X safe harbor percentage
 - Compare to monthly employee cost (self-only under lowest cost option providing MV)
 - Use monthly salary X safe harbor percentage for salaried employees
 - » The single Federal Poverty Line (FPL) (use the number applicable 6 months prior to the beginning of the plan year) divided by 12 X safe harbor percentage
 - For coverage offered in 2023, 2022 FPL is applicable for most plans (e.g., calendar year plans)
 - Compare to monthly employee cost (self-only under lowest cost option providing MV)
 - \$103.28 per month for 2023 (U.S. mainland) [\$13,590 ÷12 X 9.12%]



2022 single FPL: 48 Contiguous States & D.C - \$13,590

Alaska - \$16,990 Hawaii - \$15,630



Limited Non-Assessment Period

CODE 2D

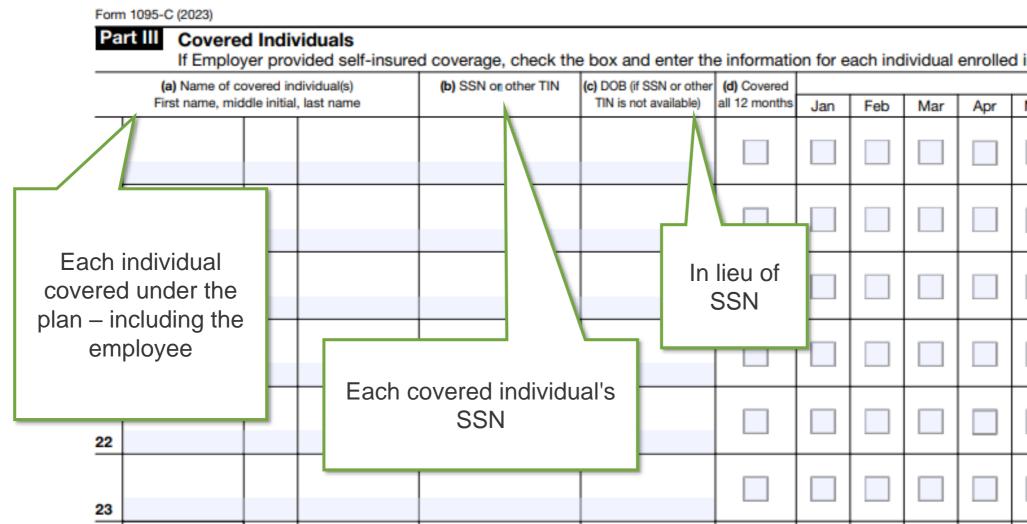
- First Year as an ALE Period (January March) ٠
- Waiting Period under the Monthly Measurement Method ٠
- Waiting Period under the Look-Back Measurement Method •
- Initial Measurement Period and Associated Administrative Period ۲ under the Look-Back Measurement Method
- Period Following Change in Status that Occurs During Initial ٠ Measurement Period Under the Look-Back Measurement Method
- First Calendar Month of Employment (unless coverage offered ٠ on first day of the month which is also the first day of employment)







Form 1095-C Part III



Complete Part III ONLY if self-insured health coverage

- Complete for all covered employees (including any employees not considered • full-time) along with any covered spouses/dependents that are enrolled in the employer's self-insured medical coverage

						60	0320 Page 3		
n coverage, including the employee.									
	(e) Months of coverage								
May	June	July	Aug	Sept	Oct	Nov	Dec		

• Include SSN (use birthdate per "solicitation rules") • Check all months the individual(s) was covered

Self-Insured Employers

Reporting for Certain Covered Part-Time Employees, Covered Former Employees and Other Covered Non-Employees

- Includes the following individuals who were not a full-time employee during any month of the year
 - » Part-time employees
 - » Retirees
 - » COBRA beneficiaries
 - » Non-employee directors
- No requirement to certify OFFER of coverage, but ALE must still report individuals that are covered under the medical plan
 - Self-insured sponsors may use either Forms 1094/1095-C or Forms 1094/1095-B
 - If using 1094/1095-C, use Code 1G on line 14 if individual was a non-FT employee that was covered under the medical plan for all 12 months of the calendar year





Code 1G goes in the all 12 months column on line 14.

COBRA

COBRA for terminated employee:

- Month of termination:
 - » Coverage goes to end of the month in which employee terminates (1E, 2C)
 - Coverage does not go to the end of the month in which employee terminates (1H, 2B)
- All months following the month in which the employee terminates (1H, 2A)
- COBRA participants who have not been employed for any day in any month during the calendar year (1G)

COBRA for reduction in hours and COBRA is **elected**:

- For an employee who enrolled in family coverage and was therefore offered COBRA for self, spouse and dependent(s): (1E, 2C) fill in line 15
- For an employee who only enrolled themselves in coverage, and therefore was the only individual that was offered COBRA coverage: (1B, 2C) fill in line 15
- For an employee who enrolled themselves and a dependent in coverage and was therefore offered COBRA for self and their dependent: (1C, 2C) fill in line 15
- For an employee who enrolled themselves and their spouse in coverage, and therefore was offered COBRA for self and their spouse: (1D, 2C) fill in line 15





COBRA Waived

Reduction in hours

- Use 2B if COBRA is not elected and employee is no longer a full-time employee
- Use affordability codes (if applicable) if employee remains a FT employee

Special Rules for HRAs

Self-insured major medical plan and an HRA

• Report only the major medical plan information and need not report the HRA

Insured major medical plan and an HRA

• Not required to report on coverage under the HRA if the individual is eligible for the HRA because the individual enrolled in the insured major medical plan

HRA must be reported in Part III for any individual who is <u>not</u> enrolled in a major medical plan of the employer

- Applicable to employers with less than 50 FT/FTEs too (i.e., non-ALEs)
- Includes employees enrolled in their spouse's major medical plan but covered under the employer's HRA





1094-C

- Provides employer information
- IRS uses to determine applicability of Employer Shared Responsibility Penalties

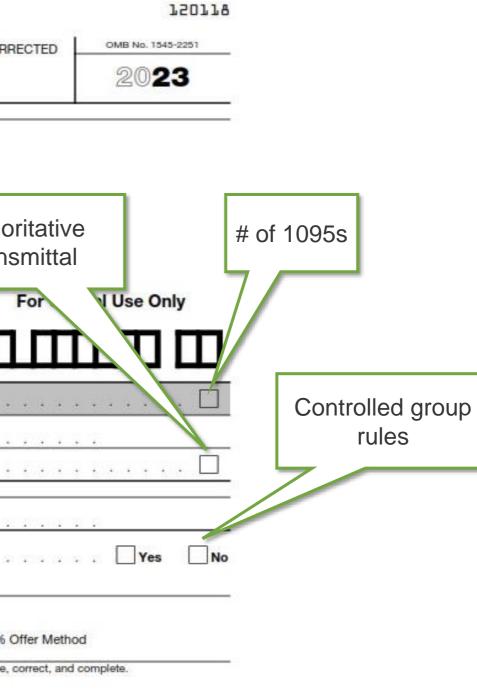


Companies may use more than one 1094-C, such as for separate divisions, but only one 1094-C may be designated as "authoritative" which will contain aggregated company data.



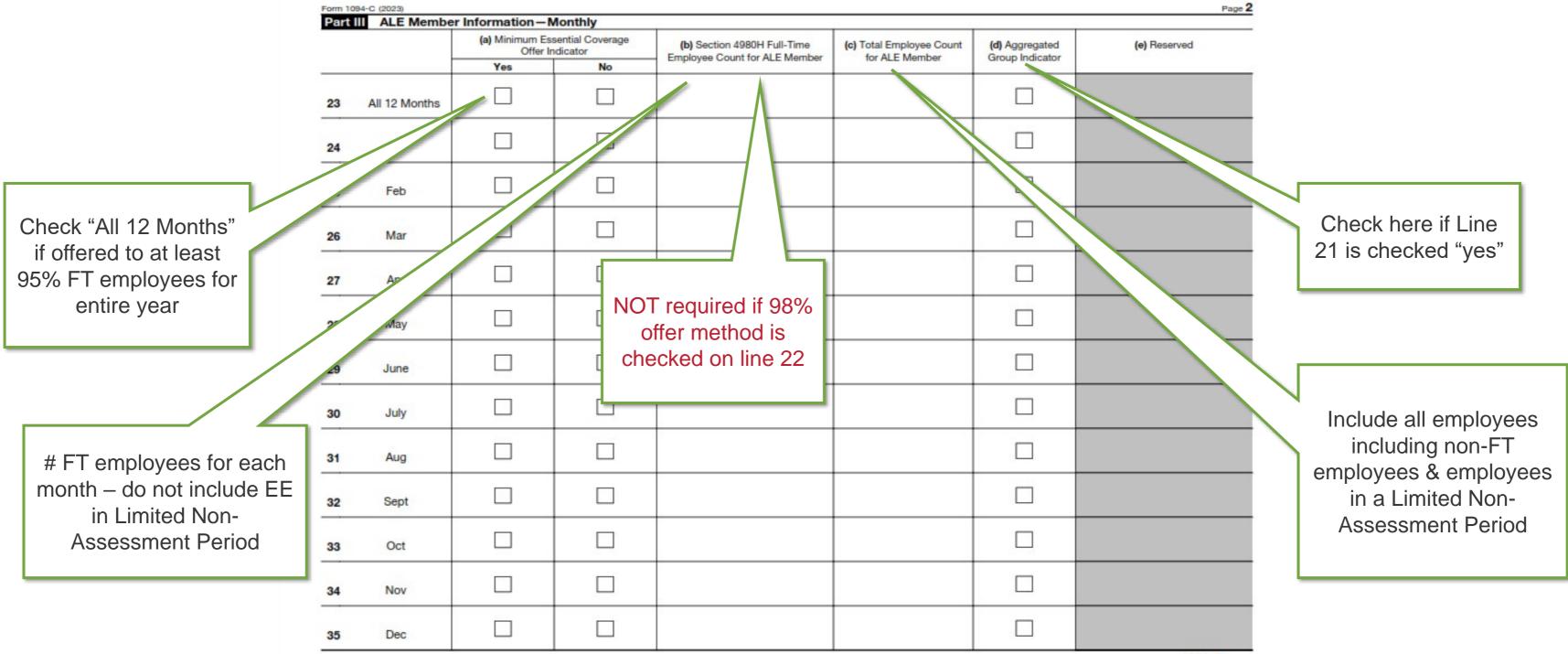
Form 1094-C Parts I & II

Form 1094-C Department of the Treasury Internal Revenue Service	Transmittal of Employer-F Coverage Go to www.irs.gov/Form109-	Information Retu	irns	
Part I Applicable Lar	ge Employer Member (ALE Member	1)	6 Canala an Islamilian au	million (T15.5
1 Name of ALE IN Der (Employ	en) /		2 Employer Identification nu	niber (EIN)
3 Street address (including ros)	te no.			
4 City or town	Employer info	5 State or province	6 Country and ZIP or foreign	nostal code
7 Name of person to contact			8 Contact telephone nu	Au
9 Name of Designated Governme	ent Entity (only if applicable)		10 Employer Identification	Tra
11 Street address (including room	or suite no.)			
		13 State or province	14 Country and ZIP or foreign	postal code
MEC providing MV, FPL Safe Harb	or	1. 12:1	16 Contact telephone numb	ber
- Includes offer to spouse and				1 12 12 12
dependents				
(Alternate Employee Statement	submitted with this transmittal . ittal for this ALE Member? If "Yes,"	Affordo	ble MV to 98%	· · ·
permitted, but not required)	ation		dep & 1095-C	
	c filed by and/or on behalf of ALE N	a subsection of the section of the s	itted for all 12	
			months	
If "No," do not complete	state discourse in the second	• • •		1.1.1
	ility (select all that apply):			
A. Qualifying Offer M	ethod B. Reserved	C. Re	eserved	D. 9
Under penalties of perjury, I dec	clare that I have examined this return and accor	npanying documents, and to t	the best of my knowledge and be	lief, they are
Signature		-		_
		Title		13



Form 1094-C (2023)

Form 1094-C Part III





Form 1094-C (2023)

Form 1094-C Part IV

Form 1094-C (2023)

Complete if Line 21 is checked "yes," largest ALE Member to smallest ALE Member

Part IV Other ALE Members of Aggregated	ALE Group	
Ent , the names and EINs of Other ALE Members of	the Aggregated ALE Group (wh	o were members at an
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

15037P

	Page 3
iny time during the calendar year).	
Name	EIN

Form 1094-C (2023)

State Individual Mandate Reporting

- IRS due date extensions and reporting relief will **not** automatically apply to state individual mandate ٠ reporting requirements
- Employers with employees working in the following states may face earlier reporting deadlines and will want to ensure they are meeting all state-mandated reporting requirements
 - » California
 - » Massachusetts
 - » New Jersey
 - » Washington D.C.
 - Rhode Island **》**
 - » Vermont

Brown & Brown Regulatory and Legislative Strategy Group recommends that employers with questions regarding specific state reporting requirements consult with legal counsel or a tax advisor familiar with the laws of the state in question.





Where to Find the Forms and Other Guidance

2023 Instructions for Forms

- <u>https://www.irs.gov/pub/irs-prior/i109495c--2023.pdf</u>
- <u>https://www.irs.gov/pub/irs-pdf/i109495b.pdf</u>

2023 Forms 1095

- https://www.irs.gov/pub/irs-pdf/f1095c.pdf
- <u>https://www.irs.gov/pub/irs-pdf/f1095b.pdf</u>

2023 Forms 1094

- https://www.irs.gov/pub/irs-pdf/f1094c.pdf
- https://www.irs.gov/pub/irs-pdf/f1094b.pdf







This Program, ID No. 646607, has been approved for 1.00 HR (General) recertification credit hours toward aPHR[™], aPHRi[™], PHR[®], PHRca[®], SPHR[®], GPHR[®], PHRi[™] and SPHRi[™] recertification through HR Certification Institute[®] (HRCI[®]).

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