

Health Care Reform: Preparing to Complete Forms 1094-C and 1095-C

Q. WHAT IS THE PURPOSE OF THE FORMS?

A. Both forms help the IRS determine whether:

- Employers owe an employer mandate penalty
- Individuals owe an individual mandate penalty
- Full-time employees (FTEs) and their dependents might be eligible for a premium tax credit

Form 1094-C

- Provides a summary to the IRS of aggregate employer-level data
- Serves as a transmittal document for Form 1095-C

Form 1095-C

- Reports information about the employer's offer of health insurance coverage
- For self-insured large employers, reports information on all covered individuals

Q. WHAT INFORMATION DO EMPLOYERS NEED TO COMPLETE THE FORMS?

A. For Form 1094-C:

- Identifying information for the employer
- Information about whether the employer offered coverage to 95 percent of FTEs and their dependents in 2016
- For the authoritative transmittal:
 - Total number of Forms 1095-C issued to employees
 - Information about members of the aggregated applicable large employer group (i.e., controlled group), if any
 - FTE counts by month
 - Total employee counts by month
 - Whether the employer is eligible for certain transition relief

For Form 1095-C:

- For each month of the calendar year, a list of which employees are FTEs (30 hours per week or 130 hours per month)
- Identifying information for the employer and FTEs (such as name and address)
- Information about the health coverage offered by month, if any
- FTEs' share of the monthly premium for lowest-cost self-only minimum value coverage
- Months the FTE was enrolled in employer-sponsored coverage
- Months the employer met an affordability safe harbor with respect to an FTE and whether other relief applies for an employee for a month
- If the employer offers a self-insured plan, information (including Social Security numbers) about the covered individuals (employees and dependents) enrolled in the plan, by month



Q. ONCE THE FORMS ARE COMPLETE, THEN WHAT?

A. Employers must file Forms 1094-C and 1095-C with the IRS and provide a copy of Form 1095-C to each FTE for their use when filing their individual federal income tax returns. For self-insured employers, a copy of Form 1095-C must also be provided to any non-full-time employees who are covered under the self-insured plan.

Q. WHEN AND HOW MUST THE FORMS BE FILED WITH THE IRS?

A. Employers must file Forms 1094-C and 1095-C by Feb. 28 if filing on paper or March 31 if filing electronically of the year following the calendar year to which the return relates. These dates apply regardless of whether an employer sponsors a non-calendar-year plan. Forms must be filed with the appropriate IRS office, based on the location of the employer. See the form instructions for exact filing addresses.

Employers that file 250 or more Forms 1095-C must file electronically.

Q. WHEN AND HOW MUST FORM 1095-C BE DISTRIBUTED TO EMPLOYEES?

A. Employers must distribute a copy of Form 1095-C to each full-time or covered employee by March 2, 2017. This date applies regardless of whether an employer sponsors a non-calendar-year plan.

Employers may distribute paper or electronic forms, but there are a few things to consider. First, employers will want to document their practice and, in some instances, obtain proof of receipt. For paper delivery, employers may distribute the forms by mail or by hand. If by hand, a best practice would be to obtain a signature or other confirmation from the employee that the form has been received. If by mail, employers should send the form to the employee's last known permanent address, or if no permanent address is known, to the employee's temporary address. Employers may distribute the form electronically via email, but only if the employee affirmatively consents to receive the statement in an electronic format.

ADDITIONAL RESOURCES:

[IRS Notice 2016-70 »](#)

[Form 1094-C »](#)

[Form 1095-C »](#)

[Instructions to Forms 1094-C and 1095-C »](#)

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