



IRS ISSUES DRAFT INSTRUCTIONS FOR HEALTH COVERAGE REPORTING

The IRS has issued draft instructions for the forms employers will use to report health coverage information required by the Affordable Care Act. The draft instructions should not be relied on, but they are indicative of the types of information that the IRS will expect employers to provide to satisfy the new reporting requirements. Filing is voluntary for 2014, but forms reporting 2015 coverage information will be required to be filed and provided to employees in early 2016. The instructions and related forms are expected to be finalized later this year.

An “applicable large employer” (an employer with at least 50 full-time equivalent employees) will use Form 1095-C and Form 1094-C. Form 1095-C will be used to report information about each employee and must be provided to the applicable employee, and Form 1094-C will be used to report summary information and to transmit the Forms 1095-C to the IRS.

Smaller employers (*i.e.*, employers that are not “applicable large employers”) that provide minimum essential coverage to employees through a self-insured group health plan will use Form 1095-B and Form 1094-B. Form 1095-B will be used to report information about each employee and must be provided to the applicable employee, and Form 1094-B will be used to transmit the Forms 1095-B to the IRS. Smaller employers providing coverage to employees through a fully-insured group health plan will not be required to file the forms since the applicable insurance issuer or carrier will be responsible for filing the forms.

We recommend that employers review the draft instructions for Forms 1094-C and 1095-C ([click here](#)) or Forms 1094-B and 1095-B ([click here](#)), as applicable, to determine what data collection will be required in 2015. Although the initial reporting deadlines fall in early 2016, employers should soon begin establishing systems for collecting the appropriate data in 2015. Please contact the Thompson & Knight attorney with whom you regularly work or any of the following employee benefits attorneys to discuss the new reporting requirements.

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