



# Final Forms Released for Individual and Employer Mandate Reporting

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Recently, the Internal Revenue Service released final forms and instructions for reporting on the individual mandate (Code Sec. 6055) and the employer mandate (Code Sec. 6056). While these final forms (1094-C and 1095-C) reference calendar year 2014, reporting for 2014 is not required. Employers will be subject to these reporting requirements for 2015 with filings due in early 2016. We expect revised forms reflecting the year 2015 to be issued in the future.

These finalized forms and instructions provide us with better insight into the information that employers must collect and track during 2015 in order to comply with this reporting requirement. In general, the instructions provide general clarification and additional examples that make the instructions more manageable than before.

Notable changes include the following:

- Previously, there was confusion as to how to report self-insured employer-sponsored health insurance coverage for non-employees such as non-employee directors, an individual who was a retired employee during the entire year, or a non-employee COBRA beneficiary. The final instructions clarify that employers with self-insured plans may use Forms 1095-C and 1094-C for non-employees (as opposed to Forms 1094-B and 1095-B) to report minimum essential coverage. Those individuals will be reported on Form 1095-C by using Code 1G (offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in self-insured coverage for one or more months of the calendar year) and completing Part III.
- The instructions clarify that an employee who is treated as having been offered health coverage for purposes of section 4980H (even though not actually offered) is treated as offered minimum essential coverage for reporting purposes. For example, for the months for which the employer is eligible for dependent coverage transition relief, non-calendar year transition relief, or multiemployer arrangement interim guidance (if the employer is contributing on behalf of an employee but the employee is not eligible for coverage under the multiemployer plan) with respect to an employee, that employee should be treated as having been offered minimum essential coverage.
- Waiting periods may be reported using the limited non-assessment period code, 2D.

- Employees in an initial measurement period will not be counted for purposes of determining the total percentage of full-time employees offered coverage.
- Additional clarification is provided in areas where completing the forms for a self-insured plan are different than for an insured plan.
- There is clarification on which code prevails when more than one code could be used. Code 2C generally trumps everything. Employers should always use Code 2C if the employee was enrolled in coverage, but only if he or she was enrolled for the entire month.
- Under the Qualifying Offer Method and the Qualifying Offer Transition Relief Method, it is now clear that full-time employees covered by a self-insured plan cannot be furnished the alternative statement for purposes of Part III, but should be provided Form 1095-C.

We will be providing additional information on these forms in the coming weeks. Large employers should review these forms and instructions and begin tracking and collecting data in 2015.

For the revised forms and instructions, visit:

- <http://www.irs.gov/uac/About-Form-1095-C>
- <http://www.irs.gov/uac/About-Form-1094-C>

