



New Jersey Updates 2019 Individual Mandate Employer Reporting

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The State of New Jersey has posted information related to employer reporting under New Jersey's individual health insurance mandate that went into effect January 1, 2019.

■ Background

The New Jersey Health Insurance Market Preservation Act (the "NJ Act") requires most New Jersey residents to maintain health insurance, starting January 1, 2019. Failure to maintain health insurance, absent an exception, will result in an individual penalty imposed by the State when a person files his or her 2019 New Jersey Income Tax Return. This state mandate essentially replaces the federal individual mandate imposed under the Affordable Care Act (ACA), which was effectively eliminated starting in 2019 under the Tax Cuts and Jobs Act.

As with the ACA, the NJ Act requires certain employers and insurance carriers to report covered participants to the state to confirm that such individuals had actual health coverage in the calendar year.

■ What's New?

Recently the State of New Jersey updated its "Information for Employers" website with respect to the New Jersey Health Insurance Mandate. Notably, employers must provide the same Forms 1094-C and 1095-C to the State of New Jersey as they provide to employees and other individuals otherwise covered under an employer sponsored plan to the Internal Revenue Service (IRS) under the ACA. The Forms are to be sent to the New Jersey Division of Taxation by March 31, 2020. Previously, this deadline was set at February 15, 2020, a deadline that preceded the general deadline by which Forms need to be filed with the IRS under ACA. Now, forms will be due to the State on the same day as the IRS deadline.

Employer reporting under the NJ Act applies to all employers that withhold and remit New Jersey Gross Income Tax for New Jersey residents, including employers located outside of the state. The State also provides the following guidance for companies:

Fully Insured Plans

Single-Company, Applicable Large Employers (ALEs)

ALEs are generally companies that employed an average of at least 50 full-time-equivalent employees on business days during the preceding calendar year. The insurer files a Form 1095-B for each covered member of the plan. The Employer files a Form 1095-C (Parts I & II) for each person who was a full-time employee of the employer for at least one month of the calendar year.

Single-Company, Not an Applicable Large Employer (Non-ALEs)

Non-ALEs generally are companies that employed an average of fewer than 50 full-time-equivalent employees on business days during the preceding calendar year. The insurer files the Form 1095-B for each covered member on the plan. Employer does not file a Form 1095-C.

Fully Insured Employer Participating in a Multiemployer Plan

Plan Sponsor files a Form 1095-B for enrolled individuals. ALEs also file Form 1095-C (Parts I & II) for each person who was a full-time employee for at least one month of the calendar year.

Self-Insured Plans

Single Company, ALEs

Employer files a Form 1095-C for each person who was a full-time employee for at least one month of the year and for any employee who was enrolled in the self-insured plan. ALEs that offer coverage to non-employees (such as COBRA members or retired employees) must use Forms 1094-B and 1095-B for these non-employees or may file a 1095-C using Code 1G in Part II to report for these non-employees.

Single Company, Non-ALE

Non-ALEs must file a 1095-B for each covered employee.

Self-Insured Employer participating in a Multiemployer plan

Plan Sponsor files a Form 1095-B for each covered employee. ALEs must also file Parts I & II of 1095-C for each covered employee.

Reporting System

Insurers or employers are able to provide confidential or sensitive data to the State of New Jersey using the Division of Revenue and Enterprise Services' (DORES) MFT SecureTransport service. Employers that have MFT SecureTransport service user credentials can now use them to submit the required forms. If you do not have an account or need technical specifications, employers are encouraged to contact e-GovServices@treas.nj.gov to request assistance. The System also encourages employers to participate in the testing period, which initially will run through October 31, 2019. To join the testing program, send an e-mail to the above e-mail address stating "Please tell me how to join New Jersey's Health Mandate filing testing program."

Employer Action

- All employers with employees who are New Jersey residents should evaluate whether they will be subject to these new reporting requirements beginning in 2019. In many cases, such employers will already be generating the Forms required to be filed with the state.
- Employers should be aware of the new March 31, 2020 reporting deadline.
- Employers should join the testing program with the MFT Secure Transport service, if interested.
- Employers should watch for updates on the New Jersey website, particularly if the IRS changes the current Forms for 2019 reporting, and if NJ deploys its own separate forms.