



Common Misconceptions about the ACA Reporting Requirements

As we approach year-end, many employers realize that the 1094/1095 ACA reporting, which seemed to be so far off, is right around the corner. As we have talked with employers about these requirements, we have heard quite a few misconceptions. The following are a few we felt would be helpful to share:

That requirement will go away, won't it?

Some people we have spoken to have been thinking all along that either Congress would repeal this reporting requirement, or at the least, the IRS will delay the reporting deadlines. So far neither has happened. Anyone counting on this to happen may be a bit panicky come late December.

They won't really fine us, will they?

There are real penalties in the regulations for those who fail to file, and we don't think it is wise to count on the benevolence of the IRS. There may be some relief from fines for employers submitting incorrect or incomplete forms, however, the IRS has made it clear that there is no relief for employers who cannot show a good faith effort to comply.

Since it isn't due until 2016, I will worry about it at year-end.

Guess what, it is year-end. Remember that data must be reported for each month in 2015. Most employers have at least started the process of the monthly tracking and have looked into whether they can do this themselves or will utilize a third-party such as their payroll vendor. If you have not done so this year, we strongly encourage you to start now.

We don't have 100 employees, so this doesn't pertain to us.

All "Applicable Large Employers" (ALEs), defined as 50 or more FTE's, must report plan and offer of coverage information. In addition, small employers who sponsor self-insured plans must also report.

We have fewer than 50 employees, not counting our union employees.

Sorry, this pertains to you as well. You must include your union employees to determine if you are an ALE. In addition, if your union employees receive their coverage through a multi-employer union plan, it is critical that you determine what information the union can provide. It is the employer's responsibility to report the eligibility and contribution information for their union employees, even if they are covered by a union plan.

But we have a fully insured plan!

Sorry, again. All ALEs must report, whether fully insured or self-insured. In fact, even ALEs that do not provide health insurance must report.

We have the information we need to provide reporting to all our full-time employees who are covered under our plan.

That is great and you are well on your way, but, remember that reporting is required for all employees who were full-time for even just one month during the year – whether or not they were ever covered under your plan.

Our payroll vendor is taking care of this for us.

This may well be true, but do not assume they will have all the information they need. Payroll vendors will not know when you offered coverage to an employee, or when someone waives coverage, or if you are using a safe harbor.

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