

November 3, 2017

ACA Individual and Employer Mandate – Reporting Update

The IRS has [announced](#) that in order to avoid refund and processing delays when filing 2017 personal federal income tax returns in 2018, taxpayers should indicate whether they and everyone on their return had qualifying health coverage, qualified for an exemption from the coverage requirement, or are making an ["individual mandate" shared responsibility](#) payment. This process reflects the health coverage requirements of the [Affordable Care Act](#) (ACA) and the IRS's obligation to administer the healthcare law. The 2018 filing season will be the first time the IRS will not accept tax returns that omit this information. (The IRS did not reject a taxpayer's 2016 personal income tax return if the taxpayer didn't answer the health coverage question.)

This IRS announcement means it will be even more critical than in years past that employers furnish their employees with their Form 1095-C by the January 31, 2018 deadline, in time for employees to meet the April 17, 2018 personal income tax return deadline. Under the ["employer mandate" shared responsibility rules](#), certain employers (called applicable large employers or ALEs) must either offer health coverage that is "affordable" and that provides "minimum value" to their full-time employees (and offer coverage to the full-time employees' dependents), or potentially make an employer shared responsibility payment to the IRS, if at least one of their full-time employees receives a premium tax credit for purchasing individual coverage on a Health Insurance Marketplace (Exchange). ALEs are [required to report](#) information about whether they offered coverage to employees and if so, information about the offer of coverage. ALEs are required to send this information to the IRS on Form 1094-C and Form 1095-C. ALEs are also required to send a Form 1095-C to affected individuals. The information on these forms is used to determine whether an ALE owes a payment under the employer shared responsibility provisions and whether employees are eligible for the premium tax credit.

A list of resources and the latest news on the employer mandate and ACA reporting provisions are available at the IRS [Applicable Large Employer Information Center](#). Here the IRS provides links to recorded webinars that anyone can review at any time to better understand the employer shared responsibility provisions and the related information reporting requirements. The Center also provides links to a wide variety of resources regarding the rules, such as links to tax provisions, questions and answers, forms and publications, YouTube videos, podcasts, and other IRS outreach materials specifically directed at ALEs.

The just released [November 2nd proposed tax package](#) does not include a repeal of the individual or employer mandate although there is a continued push for the repeal provisions to be added to a final bill. In the meantime, the IRS' latest announcement is a strong indication that more

stringent enforcement of the individual and employer mandate may be coming soon. Unless and until there is final action, all provisions of the ACA remain intact and there is still a possibility that there may be no changes with the ACA this year. We will continue to monitor developments over the coming weeks and months, and provide details on new and revised employer obligations as they take shape over time. Should you have questions about this or any aspect of federal health insurance reform, contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of our Legislative Updates, visit our online [Resource Center](#).



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