

# **THE ROLE OF PAYROLL PROFESSIONALS IN BENEFIT PLAN ADMINISTRATION**

**MIDWEST REGIONAL PAYROLL CONFERENCE  
OCTOBER 6, 2016**

**JOSHUA E. RICHARDSON  
MCMAHON BERGER, P.C.  
2730 NORTH BALLAS ROAD, SUITE 200  
ST. LOUIS, MO 63131  
(314) 567-7350  
RICHARDSON@MCMAHONBERGER.COM**

# OVERVIEW / AGENDA

- Retirement Plans – Design and Preventing Errors
- Family Medical Leave
- Bonus and Deferred Compensation – Reporting and Payment
- Health Plans – Planning and Compliance



JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC



JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC

# RETIREMENT PLAN DESIGN AND PREVENTING ERRORS

JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC

# PAYROLL'S ROLL IN RETIREMENT PLAN DESIGN

- “ Knowledge of employee deferral patterns
- “ Knowledge of ability to change elections within payroll system
- “ Knowledge of employee garnishments and similar impediments to deferrals
- “ Foresee difficulties with participant loans

# DEFINED BENEFIT PLAN ADMINISTRATION

- “ Payroll maintains records necessary to determine:
  - “ Years of service/service credits
  - “ Compensation history
- “ Watch for pay while receiving pension benefits
- “ Notify Pension Administrator if individual returns to employment

# 401(K) PLAN ADMINISTRATION

- ” Plan Enrollment - Availability
- ” Auto-enrollment – Automatic Deferral / Escalator



## 401(K) PLAN ADMINISTRATION – COMMON ERRORS

- ” Incorrect Deferral Amount / Percentage
- ” Excess Deferrals
- ” Timely Deposit of Deferrals
- ” Improper Inclusion / Exclusion of Post-Termination Compensation
- ” Administration of Hardship Distributions

# 401(K) PLAN ADMINISTRATION – CORRECT DEFINITION OF COMPENSATION

In English, please!

# DEFINITION OF COMPENSATION

## E. Plan Compensation

*[NOTE: Except as specifically provided in the Plan, Plan Compensation will be used for nondiscrimination testing unless the Plan Administrator expressly directs that a different definition of compensation be used for such testing for a particular Plan Year.]*

Plan Compensation:

[Plan Sec. 2.49]

# DEFINITION OF COMPENSATION

E.1. Plan Compensation means ... *[check one]*:

- a. earnings required to be reported in the Wages, Tips and Other Compensation box of Form W-2.
- b. earnings for purposes of Code § 415(c)(3).

*[NOTE: Unless specifically excluded below, Plan Compensation includes Employee 401(k) Contributions, other Elective Deferrals (as defined in Plan Sec 2.17) and elective contributions that are excluded from income under Code §§ 125 and 132(f)(4).]*

# DEFINITION OF COMPENSATION

E.2. Plan Compensation does not include ... *[check each that applies]*:

- a. Employee 401(k) Contributions and other Elective Deferrals (as defined in Plan Sec. 2.17), and elective contributions that are excluded from income under Code § 125 (cafeteria plan) or Code § 132(f)(4).
- b. reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation and welfare benefits.

## DEFINITION OF COMPENSATION

E.3. Plan Compensation for the Plan Year ... *[check one]*:

a. does not

b. does

... include amounts paid prior to the Entry Date for purposes of any Employer Contribution Component.

*[NOTE: Plan Compensation does include amounts paid prior to the Entry Date for purposes of Top-Heavy Plan rules.]*

# DEFINITION OF COMPENSATION -

- ” Considerations:
  - ” Purpose of definition
  - ” Differing definitions within the Plan
  - ” Potential discrimination in definition of Compensation
  - ” Types of compensation paid
  - ” Treatment of Pre-entry and Post-severance Compensation

# FMLA COMPLIANCE

JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC



# FMLA COMPLIANCE

- ” Determining FMLA coverage

- ” Facility Coverage

- ” Individual Coverage

# DEFERRED COMPENSATION & BONUS PLANS

JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC

# BONUS PLANS

- “ Payout no later than 3 ½ months after year in which bonus vests (is earned).
- “ Understand bonus formula and compensation used in determining bonus
  - “ Is compensation averaged over bonus period or is compensation at beginning / end used in determining bonus
- “ Proper tax withholding on bonus - bonus as supplemental wages

## DEFERRED COMPENSATION

- “ If deferral is at employee direction, confirm presence of signed deferral election
- “ Review for timing of distribution
- “ Confirm proper credit of deferred amount to employee “account”
- “ Consider timing of taxation to employee:
  - “ FICA Tax – Year when vested
  - “ Income Tax - Year when distributable

# HEALTH PLANS REPORTING & COMPLIANCE

JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC

# W-2 REPORTING

- Do not report Multiemployer Fund Contribution – Suspended Indefinitely
- When and Where to report?
  - The health care premiums must be reported on the W-2s in box 12, using code DD and the W-2s must be sent to the employees by January 31st of subsequent year.

## W-2 - WHAT MUST BE REPORTED?

- Employer and Employee contributions for major medical and prescription drug coverage.

Form W-2 Reporting of Employer-Sponsored Health Coverage			
Coverage Type	Form W-2, Box 12, Code DD		
	Report	Do Not Report	Optional
Major medical	X		
Dental or vision plan not integrated into another medical or health plan			X
Dental or vision plan which gives the choice of declining or electing and paying an additional premium			X
Health Flexible Spending Arrangement (FSA) funded solely by salary-reduction amounts		X	
Health FSA value for the plan year in excess of employee's cafeteria plan salary reductions for all qualified benefits	X		
Health Reimbursement Arrangement (HRA) contributions			X
Health Savings Arrangement (HSA) contributions (employer or employee)		X	
Multi-employer plans			X

# EMPLOYER MANDATE - WHICH EMPLOYERS ARE COVERED?

- Employers with an average of 50 or more Full Time Equivalents must provide coverage to full-time Employees or pay penalties
- Monthly FTE Total = Full Time + (PT Hours ÷ 120)
- Monthly FTE is deemed number of FTEs for each day of month
- May exclude hours worked by seasonal workers working less than 120 days per year



# EMPLOYER MANDATE - WHICH EMPLOYEES ARE COVERED?

Employees Who are Full-Time, Non-Seasonal

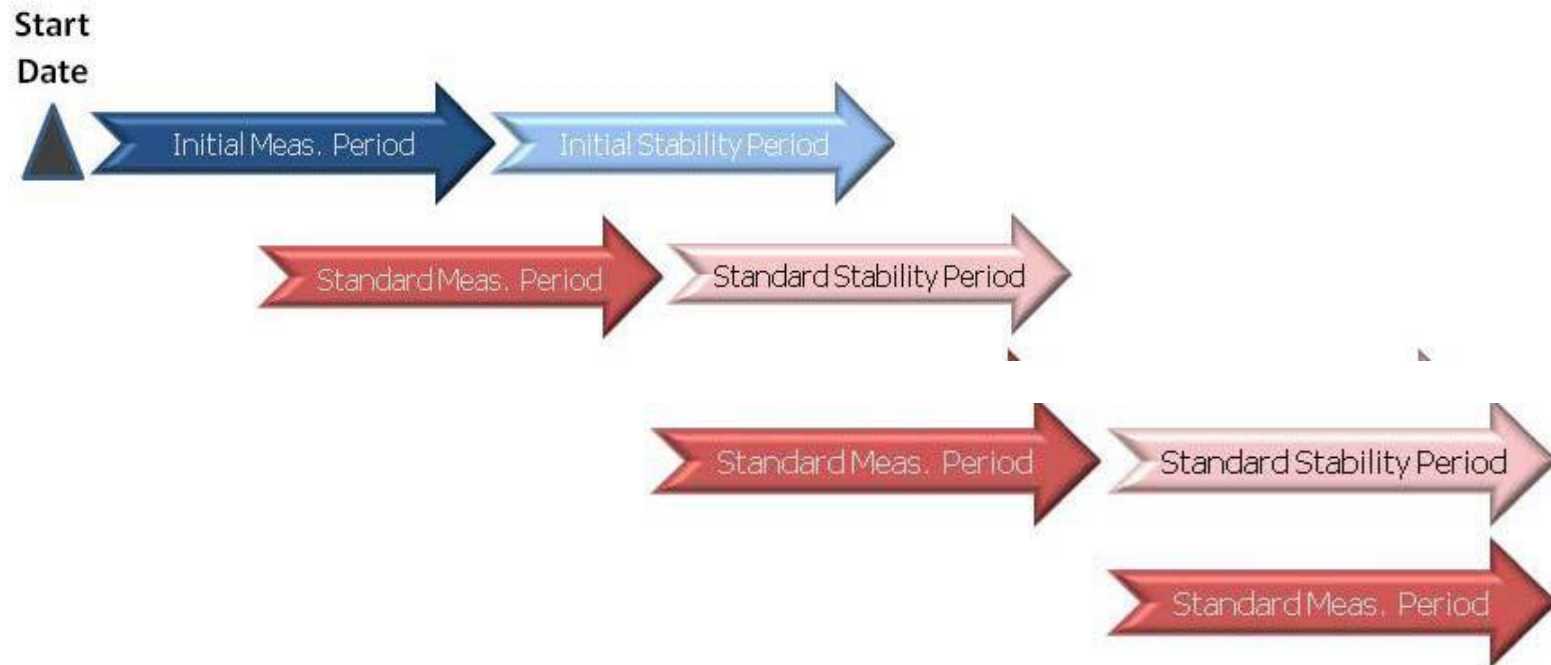
- Regular Full-Time Employees
- Variable Hour Employees averaging more than 30 hours per week

May Exclude Seasonal Employees

- For this purpose, a seasonal employee means an employee who is hired into a position for which the customary annual employment is six months or less and for which the period of employment begins each calendar year in approximately the same part of the year, such as summer or winter.

# DETERMINING FT STATUS: BASIC CONCEPTS

- \* THE GUIDANCE EMPLOYS LOOK-BACK MEASUREMENT PERIODS, FOLLOWED BY “STABILITY PERIODS,” TO DETERMINE STATUS



# AFFORDABILITY

## SAFE HARBORS

JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC

# REQUIREMENT FOR AFFORDABLE MINIMUM VALUE PLAN

- If not offer affordable minimum value coverage, large employer is subject to a penalty for each full time employee who obtains tax credit to purchase exchange coverage
- Coverage is affordable if required premium is no more than 9.5% of “household income” for self-only coverage under lowest-cost minimum value option (indexed for medical inflation)
- Coverage meets “minimum value” requirements if the plan pays at least 60% of the actuarial value of benefits covered under the plan

# FORM W-2 SAFE HARBOR

- Employee premium share for self-only coverage does not exceed 9.5% of the amount required to be reported in Box 1 of Form W-2
- May not frontload premiums
- If covered for less than 12 months, must prorate W-2 income for period covered

# FORM W-2 SAFE HARBOR

- Likely to give highest permissible premium
- Most complicated
  - Based on individual W-2 at year end
  - Pay may fluctuate throughout year, if fixed \$\$ premium, can't adjust during year
  - Calculate safe-harbor after pre-tax deductions
    - ❖ Cafeteria Plan
    - ❖ 401(k)/457/403(b)

## RATE OF PAY SAFE HARBOR

- Employee premium share for self-only coverage does not exceed: 9.5% of (annual salary or \$130,000)
- Example – Wage \$12/hour  
 $9.5\% \times (12 \times 130) = \$148.20$
- May use lowest hourly wage within workforce for all

# RATE OF PAY SAFE HARBOR

- Allows an employer to plan with more certainty to ensure that its coverage will be deemed affordable
- Use an assumed rate of 130 hours per month for an hourly employee regardless of whether the employee actually works more or fewer than 130 hours during a particular month
- Not exclude pre-tax deductions from pay
- Underestimates monthly income of an hourly employee who works an average of more than 130 hours per month, or gets a pay raise mid-year
- Not available to tipped employees or employees who are paid solely on a commission basis



# FEDERAL POVERTY LEVEL (FPL) SAFE HARBOR

- Employee premium share for self-only coverage does not exceed 9.5% of the FPL for one person.
- Calculate using the most recently published federal poverty guidelines as of the first day of the employer plan year.
- 2016 FPL for 1 person household is \$11,880
- $(9.5\% \times \$11,770) \times 12 = \$93.17$

# FEDERAL POVERTY LEVEL (FPL) SAFE HARBOR

- The FPL safe harbor is the least complex and easiest to administer
- Employer only has to perform one affordability calculation - the employer does not have to determine affordability on an employee-by-employee basis
- Generally yields the lowest permissible premium of the safe harbors

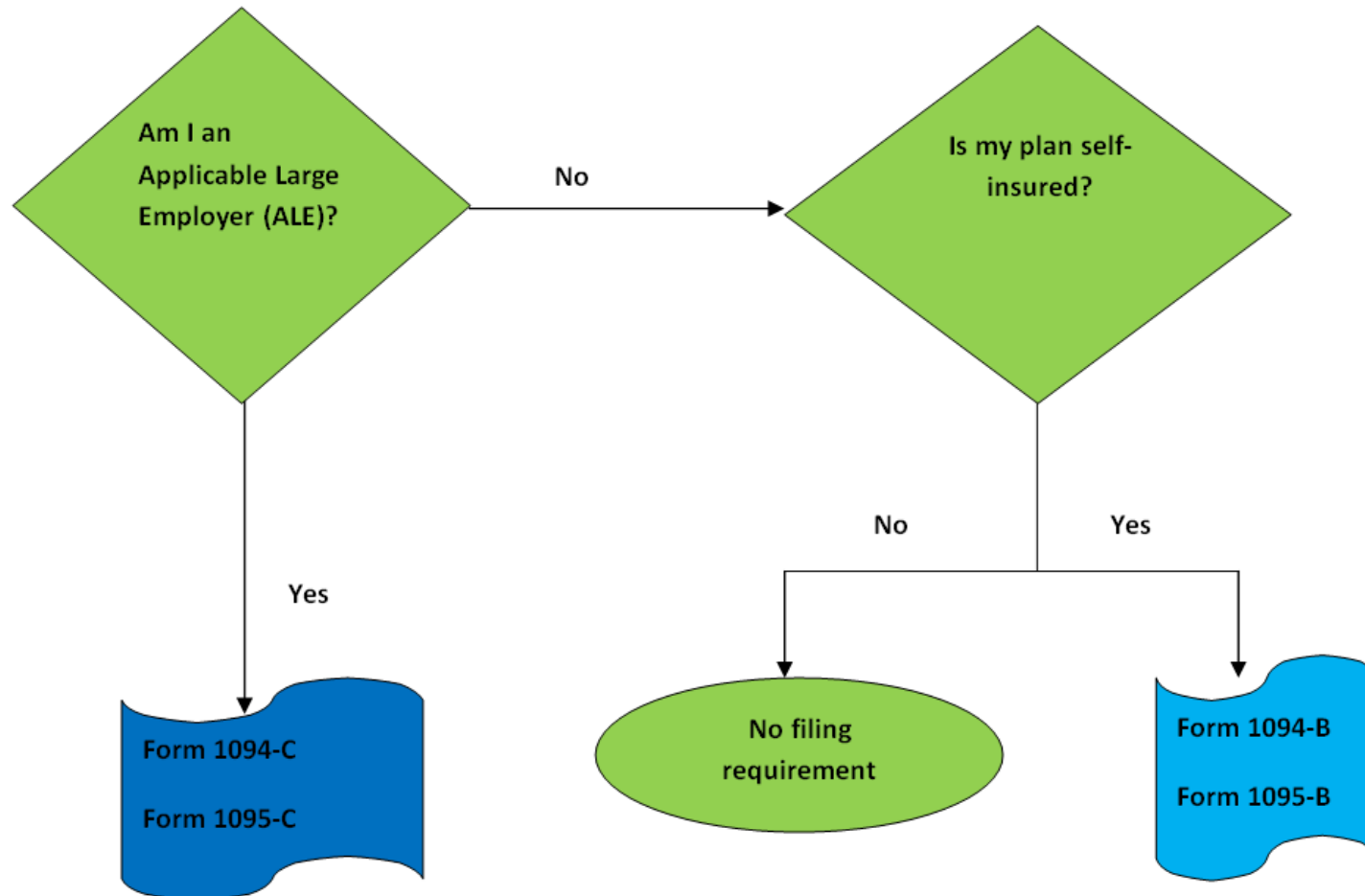
# IMPACT OF WELLNESS PLAN

- Disregard wellness incentives that impact the cost of an employee's coverage
- Treat wellness incentives related to tobacco use or cessation as earned
- Example: Wellness plan with reward decreasing monthly required contribution for self-only coverage from \$100 to \$75
  - Tobacco use incentive – Premium treated as \$75
  - All other incentives – Premium treated as \$100

# REPORTING

JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC

## Am I required to file any ACA forms?



# 1094-C – COVER SHEET

- The 1094-C demonstrates compliance with the Employer Mandate
- The 1094-C serves as a Transmittal form for individual Forms 1095-C when they go to the IRS
- The 1094-C contains Controlled Group information

# 1095-C: EMPLOYER-PROVIDED HEALTH INSURANCE OFFER AND COVERAGE

- The 1095-C is a like a Form W-2
- An employer subject to ACA may issue several Forms 1095-C to certain individuals
- The employer also files the Forms 1095-C with the IRS, using the 1094-C as a cover page
- Individual demonstrates compliance with Individual Mandate to IRS

# 1094-C – CONTROLLED GROUP BASIS

- Employee Count based on entire Controlled Group
- Types of Controlled Groups:
  - Parent – Subsidiary
  - Brother – Sister
  - Affiliated Service
  - Combinations of these
- Each Member files a 1094-C for each group of 1095-Cs
- One Member files and Authoritative 1094-C including all information from all 1094-Cs for that CG Member




# 1094-C, PART I

<b>Form 1094-C</b> Department of the Treasury Internal Revenue Service		<b>Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns</b> ► Information about Form 1094-C and its separate instructions is at <a href="http://www.irs.gov/1094c">www.irs.gov/1094c</a> .		<input type="checkbox"/> CORRECTED	2014 OMB No. 1545-2251
<b>Part I Applicable Large Employer Member (ALE Member)</b>					
1 Name of ALE Member (Employer)			2 Employer identification number (EIN)		
3 Street address (including room or suite no.)					
4 City or town		5 State or province	6 Country and ZIP or foreign postal code		
7 Name of person to contact			8 Contact telephone number		
9 Name of Designated Government Entity (only if applicable)			10 Employer identification number (EIN)		
11 Street address (including room or suite no.)					
12 City or town		13 State or province	14 Country and ZIP or foreign postal code		
15 Name of person to contact			16 Contact telephone number		
17 Reserved					<input type="checkbox"/>
18 Total number of Forms 1095-C submitted with this transmittal					▶

**EIN**

For Official Use Only



# 1094-C, PART II, LINES 19-21

Each ALE Member files 1 % authoritative transmittal+

**Part II ALE Member Information**

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions . . . . . ☐

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member . . . . .

21 Is ALE Member a member of an Aggregated ALE Group? . . . . . ☐ Yes ☐ No  
If "No," do not complete Part IV

same as controlled group

Part IV is a list of controlled group members

# 1094-C, PART II, LINE 22

## 22 Certifications of Eligibility (select all that apply):

- ☐ **A.** Qualifying Offer Method      ☐ **B.** Qualifying Offer Method Transition Relief      ☐ **C.** Section 4980H Transition Relief      ☐ **D.** 98% Offer Method

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61571A

Form **1094-C** (2014)

# 1094-C, PART III

120215

Form 1094-C (2014)

Page 2

## Part III ALE Member Information—Monthly

		(a) Minimum Essential Coverage Offer Indicator		(b) Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Section 4980H Transition Relief Indicator
		Yes	No				
23	All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24	Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25	Feb	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
26	Mar	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
27	Apr	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
28	May	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
29	June	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

# 1094-C, PART IV

120315

Form 1094-C (2014)

Page 3

## Part IV Other ALE Members of Aggregated ALE Group

Enter the names and EINs of Other ALE Members of the Aggregated ALE Group (who were members at any time during the calendar year).

Name	EIN	Name	EIN
36		51	
37		52	
38		53	
39		54	
40		55	
41		56	
42		57	
43		58	
44		59	

# 1095-C / SOME TERMS & RULES

- Rules for identifying full-time employees
- Limited Non-Assessment Period
- Multiemployer Interim Rule Relief
- Qualifying Offer

# EXAMPLES – FORM 1095-C, LINES 14-16

## “ Newly hired full-time employee

- Employee hired March 15<sup>th</sup>
- Waiting period: employees eligible on 1<sup>st</sup> of month after 60 days of employment
- “Qualifying Offer” made on June 1<sup>st</sup>

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1H	1H	1A	1A	1A	1A	1A	1A	1A
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2A	2A	2D	2D	2D	2C	2C	2C	2C	2C	2C	2C

Not yet an employee

Waiting period

Enrolled in coverage

JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC

# EXAMPLES – FORM 1095-C, LINES 14-16

- Newly hired variable hour employee
  - Employee hired March 15th with variable schedule
  - Initial measurement period March 15, 2015 through March 14, 2016
- No Form 1095-C for 2015 – not (yet) a full-time employee



# EXAMPLES – FORM 1095-C, LINES 14-16

- Newly hired variable hour employee (cont'd)
- Employee averages 32 hours/week
- No waiting period; employee is eligible first of month following end of initial measurement period
- Form 1095-C for 2016:

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1H	1H	1H	1E	1E	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2D	2D	2D	2C	2C	2C	2C	2C	2C	2C	2C	2C

Not offered coverage

Offered coverage

Initial measurement period

Enrolled in coverage

# EXAMPLES – FORM 1095-C, LINES 14-16

- Terminated employee
  - Employee waived coverage at open enrollment
  - Self-only, minimum value coverage is \$110/month
  - Employer set employee contributions using W-2 safe harbor
  - Employment terminated on August 15th; plan offers coverage through date of termination

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1E	1E	1H	1H	1H	1H
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2F	2F	2F	2F	2F	2F	2F	2B	2A	2A	2A	2A

Offer satisfies safe harbor

Employed part of Aug., then not an employee

# EXAMPLES – FORM 1095-C, LINES 14-16

- Terminating employee elects COBRA coverage
- Employee, family enrolled in minimum value coverage
- Self-only, minimum value coverage is \$110/month
- Employment terminated on July 20th; plan offers coverage through date of termination
- COBRA offered and accepted for family; \$300/month for single coverage

Offered coverage

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C	2C	2C	2C	2C	2C

Employee premium

COBRA premium  
JOSHUA E. RICHARDSON  
MCMAHON BERGER PC

# EXAMPLES – FORM 1095-C, LINES 14-16

- Reduction in hours (Monthly Measurement)
  - Employee, family enrolled in minimum value coverage
  - Self-only, minimum value coverage is \$110/month
  - Employee goes to part-time hours in August; coverage terminates end of July
  - COBRA offered waived; \$300/month for single coverage

Offered coverage

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)		1E	1E	1E	1E	1E	1E	1E	1E	1E	1E	1E	1E
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 110	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)		2C	2C	2C	2C	2C	2C	2C	2B	2B	2B	2B	2B

Enrolled in coverage

Not enrolled, part time employee

JOSHUA E. RICHARDSON  
MCMAHON BERGER, PC

# EXAMPLES – FORM 1095-C, LINES 14-16

- Reduction in hours (Look Back Measurement)
  - Variable hour employee, family enrolled in minimum value coverage
  - Self-only, minimum value coverage is \$110/month
  - Employee goes to part-time hours in August; coverage continues through end of stability period

Offered coverage

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ 110	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C												

Enrolled in coverage

JOSHUA E. RICHARDSON  
MCMAHON BERGER PC

# EXAMPLES – FORM 1095-C, LINES 14-16

- COBRA coverage for non-employee
  - Employee and spouse enrolled in minimum value coverage; divorce on May 15th
  - For January through May, spouse reported on employee's Form 1095-C

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)	1E												
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$ 110	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)	2C												

## Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual. ☐

	(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17	Employee	333-33-3333		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18	Spouse	444-44-4444		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# EXAMPLES – FORM 1095-C, LINES 14-16

- For June through December, former spouse receives separate Form 1095-C

Part II Employee Offer and Coverage													
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)							1G	1G	1G	1G	1G	1G	1G
15 Employee Share of Lowest Cost Monthly Premium, for Self-Only Minimum Value Coverage	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Applicable Section 4980H Safe Harbor (enter code, if applicable)													

Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each covered individual. <input type="checkbox"/>															
(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17 Spouse	444-44-4444		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

# FORM 1095-C, PART III

## Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual. ☐

	(a) Name of covered individual(s)	(b) SSN	(c) DOB (If SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- “ Do I really need SSNs?
- “ Rules for checking boxes



# WHEN DOES EMPLOYER REPORT?

- 1095-C provided to employee by January 31st of the following year
- 1094-C and 1095-Cs filed with IRS by February 28 if paper or March 31 if electronically filed

# PENALTIES FOR NONCOMPLIANCE

- Employer becomes subject to penalties for failure to file an information return and failure to furnish payee statements
- Employer shall pay a penalty of \$100 for each statement with respect to which such a failure occurs, but the total amount imposed on such employer for all such failures during any calendar year shall not exceed \$1,500,000

## 1094-B & 1095-B REPORTING

- Code § 6055 requires insurers, sponsors of self-insured plans, and other entities that provide minimum essential coverage to an individual during a calendar year to comply with this reporting requirement
- Reported by insurer or plan administrator

## 1095-B – INFORMATION INCLUDED

- the name, address, and SSN of the primary insured and the name and SSN of each other covered person under the policy;
- the dates during which the individual was covered during the calendar year;
- if the coverage is health insurance coverage, whether the coverage is a qualified health plan offered through a health benefit Exchange;
- if the coverage is health insurance coverage and that coverage is a QHP, the amount of any advance cost-sharing reduction payment or of any premium tax credit with respect to such coverage; and

# WHEN DOES EMPLOYER REPORT?

- 1095-B provided to covered individuals by January 31st of the following year
- 1094-B and 1095-Bs filed with IRS by February 28 if paper or March 31 if electronically filed



**Joshua E. Richardson**  
McMahon Berger, P.C.  
2730 North Ballas Road, Suite 200  
St. Louis, MO 63131  
(314) 567-7350  
[richardson@mcmahonberger.com](mailto:richardson@mcmahonberger.com)