



ACA Reporting and ICHRA

December 4, 2024

takecommandhealth.com



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- The preparers of the webinar have gathered public information and have attempted to present it in an easily readable and understandable format. Situations vary, technical corrections and future guidance may vary from what is presented in the presentation.
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- You should seek the advice of your attorney or tax advisor for additional or specific information.



Introduction



Agenda & Presenters

1 Introduction to ACA Reporting (1094/1095)

2 How Take Command Can Help

3 Expert Insights with ETC

4 Q&A



Kyle Estep

Sr. Vice President
Take Command Health



Heather Garcia

Founder
ETC



Matt Scott

Director of Sales
ETC



Audience & Purpose

This presentation is intended for:

- Business owners
- HR & finance professionals
- Employee benefits brokers & consultants

If you have an:



Individual Coverage HRA (ICHRA)

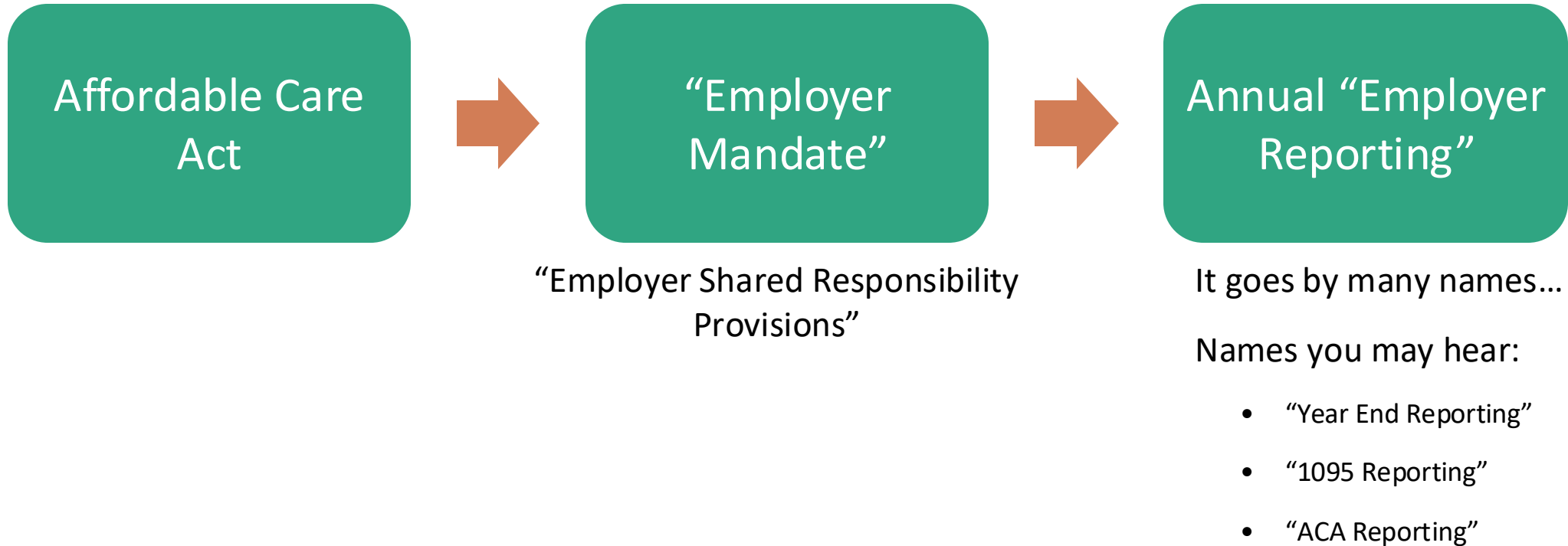


Qualified Small Employer HRA (QSEHRA)

We are not licensed tax professionals.
We are health insurance & compliance nerds.



Background



When ICHRA arrived in 2020, the IRS had to update reporting guidance for these programs.



QSEHRA / ICHRA and ACA Reporting

Subject to employer mandate!

Qualified Small Employer HRA (QSEHRA)



No ACA Reporting.
But \$\$ amount offered through a QSEHRA must be reported on employees' Form W-2s

Non-ALE offering Individual Coverage HRA (ICHRA)



"B Forms"
Forms 1094/95-B

ALE offering Individual Coverage HRA (ICHRA)



"C Forms"
Forms 1094/95-C



Due Dates for ACA reporting

When must forms be filed & distributed?

IRS Form	Given to Employees	Filed with the IRS
1094-C 1094-B	n/a	Feb 28 th (paper) March 31st (electronic)
1095-C 1095-B	March 3rd (first Monday in March)	March 31st (electronic)

Link to IRS instructions

- [1094/95-B \(non-ALEs\)](#)
- [1094/95-C \(ALEs\)](#)



How Take Command Can Help



How Take Command Can Help?

What will Take Command provide?

Data! Take Command will load a CSV data file in the administrator portal that includes important information.

Will Take Command complete and file these forms?

No. Take Command is not licensed to help our clients complete, file and distribute 1094/95 forms.



The 1095-B | Non-ALEs

May be a surprise to new ICHRA admins

- Non-ALEs do not file these for traditional group health plans
- Why for ICHRA? b/c technically it's a self-insured group plan

Good News!

- It's simple and we have data
- Only for employees participating in the ICHRA program
- No concern about employer mandate penalties

Form **1095-B** Health Coverage

Department of the Treasury Internal Revenue Service

Do not attach to your tax return. Keep for your records. Go to www.irs.gov/Form1095B for instructions and the latest information.

VOID CORRECTED OMB No. 1545-2252 **2024**

Part I Responsible Individual

1 Name of responsible individual—First name, middle name, last name 2 Social security number (SSN) or other TIN 3 Date of birth (if SSN or other TIN is not available)

4 Street address (including apartment no.) 5 City

8 Enter letter identifying Origin of the Health Coverage (see instructions for coverage)

Part II Information About Certain Employer-Sponsored

10 Employer name

12 Street address (including room or suite no.) 13 City

Part III Issuer or Other Coverage Provider (see instructions)

16 Name

19 Street address (including room or suite no.) 20 City or town 21 State or province 22 Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual.)

	(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage											
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23				<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"/>
24				<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"/>

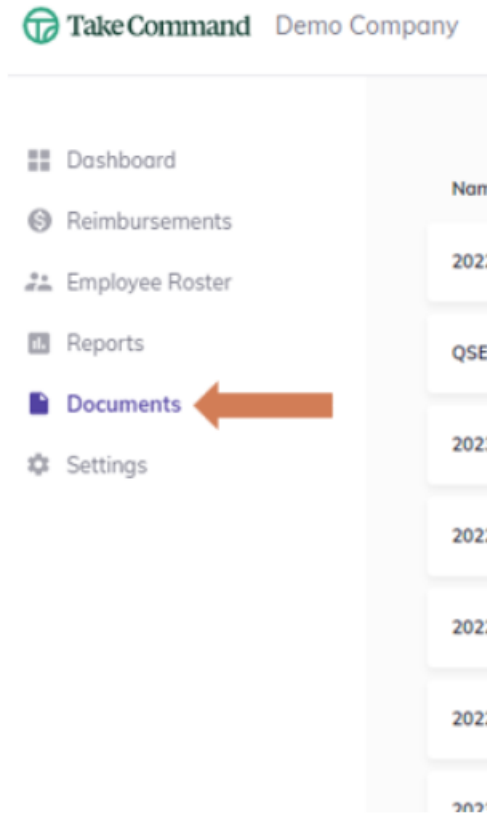
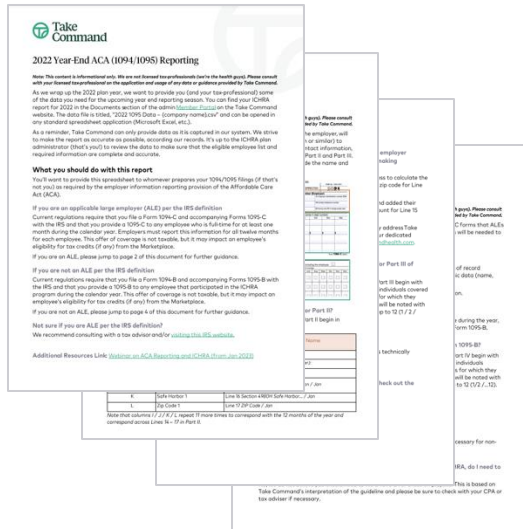
Eligible employer-sponsored plans are minimum essential coverage and include the following.

1. Group health insurance coverage for employees under the following.
 - a. A governmental plan, such as the Federal Employees Health Benefits program.
 - b. An insured plan or coverage offered in the small or large group market within a state.
 - c. A grandfathered health plan offered in a group market.
2. A self-insured group health plan for employees. Generally, an HRA, including an individual coverage HRA, is a self-insured group health plan.



The 2024 Plan Year Data File

- CSV data file for 2024 plan year to be uploaded into portals in early January 2025
- A guidance document will also be made available



CSV file will be in the 'Documents' section of the admin portal



Ensuring Accurate Data

If you're an ALE:



There may be missing data that you need to provide!

- **What?** Zip code + county and/or date of birth
- **Why?** Some employees never logged in to Take Command platform
- **Why important?** This info is needed for Take Command to calculate data you'll need to file 1095 forms



What you need to do:

- Take Command reached out via email if missing data
 - Emails from yearendreporting@takecommandhealth.com
 - Subject Line: *"1095 Employee Missing Data File - 12/15 Deadline"*
- Send completed information by **Dec. 15th**



Need Help?

Can Take Command recommend a vendor to help?

Yes! ETC specializes in helping employers complete ACA reporting.

How can ETC help you with your IRS Reporting?

ETC will:

1. Gather your legal company information for IRS setup.
2. Collect an Employment Roster with pertinent data.
3. Process ICHRA medical benefit enrollment information from Take Command.
4. Collect and analyze information on those that waive insurance.
5. Print & Mail forms to employees and electronically file with the IRS

Compliance – Check!



in partnership with



Insights from



The ETC Companies

The ETC Team

CUSTOM COMPLIANCE SOLUTIONS

WITH BIG BUSINESS CAPABILITIES

What is an ALE and What does ACA Require of ALEs?

Applicable Large Employer (ALE): Single employer or group of related employers who employed an average of at least 50 full-time employees (including FT equivalent employees) in the prior calendar year.

Employer Mandate: Offer Minimum Essential health coverage to at least 95% of full-time employees & dependents – 4980H(a) and offer minimum value/affordable coverage to full-time employees – 4980H(b).

ALEs who fail to comply risk exposure to employer shared responsibility penalties (Section 4980H).

Health Coverage Reporting: All ALE's must report to the IRS by completing Forms 1094-C/1095-C and distributing to employees by due date and filing with the IRS by March 31. ALEs who fail to comply are subject to a failure to file penalty of up to \$330 per form.



Don't forget about Controlled Groups...

REMEMBER THAT Certain employer aggregation rules apply in determining whether an employer is an ALE subject to the employer information reporting provisions. Under those rules, all employers treated as a single employer under Internal Revenue Code section 414(b), (c), (m), or (o) are treated as one employer for purposes of FTE calculation and determining ALE status. The employers that comprise the Aggregated ALE Group are each referred to as ALE Members. Source: <https://www.irs.gov/affordable-care-act/employers/information-reporting-by-applicable-large-employers>

ACA DETERMINATION OF ALE (and Non-ALE) STATUS

ALE CALCULATION TOOL USING LAST CALENDAR YEAR EMPLOYEES AND HOURS FOR WHICH PAY IS RECEIVED



Row #	FTE Formula	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
1	Total EE Count working 120+ hrs.	38	34	39	37	43	43	44	46	45	48	53	54	
2	Combined EE hrs. working less than 120 hrs.	700	878	788	976	685	814	860	640	812	710	574	671	
3	Divide Row 2 by 120	5.833	7.317	6.567	8.133	5.708	6.783	7.1667	5.33	6.767	5.9167	4.782	5.592	
4	Add Rows 1 & 3 together for FTE Count	43.833	41.317	45.567	45.133	48.708	49.783	51.167	51.33	51.767	53.917	57.782	59.592	599.900

Next steps: Add ALL 12 months Total FT and FTE count and divide by 12 to determine average monthly FT and FTE Count for entire year. **Round the final number down** to a whole number to determine your ALE status.

599.900 / 12 = 49.992

Rounded down to 49 FT and FTEs



As of the 2024 enrollment period, 21.3 million Americans selected healthcare plans through the Marketplace and approximately 93% (19.8 million) receive premium tax credits (subsidies)

According to the Center on Budget & Policy Priorities (March 2024), current expansions have helped over 40 million **total** Americans enroll in ACA Marketplaces or Medicaid expansion offering.

Understanding how 1095 forms assist the IRS in enforcing rules for subsidy payments.

Current State of 2024 Reporting

Where are we now?

- Furnishing deadline of Monday, March 3, 2025.
- Paper filing deadline of Friday, February 28, 2025 for those with less than 10 total federal forms.
- Electronic filing deadline of March 31st, 2025.
- Good faith relief first expired with 2021 reporting and continues to be unavailable.
- All employers with more than 10 federal forms due are required to file electronically with the IRS all forms (1099, W2, 1095) – See dates above

Employer Shared Responsibility Penalty Refresher

Offer

The A Penalty: ALE fails to offer MEC to 95% of FTEs and dependents, and one FTE enrolls in subsidized Exchange coverage.

2022 A Penalty: **\$2,750 (\$229.17/mo)** x total FTEs – pro rata share of 30 FTEs

2023 A Penalty: **\$2,880 (\$240.00/mo)** x total FTEs – pro rata share of 30 FTEs

2024 A Penalty: **\$2,970 (\$247.50/mo)**

X total FTEs- pro rata share of 30 FTEs

The B Penalty: ALE offers to 95%, but not MV or affordable (EE required contribution exceeds 8.39% of 2024 income), and one FTE enrolls in subsidized Exchange coverage.

2022 B Penalty: **\$4,120 (\$343.33/mo)** x each FTE receiving subsidy

2023 B Penalty: **\$4,320 (\$360.00/mo)** x each FTE receiving subsidy

2024 B Penalty: **\$4,460 (\$371.67/mo)** x each FTE receiving subsidy

Quality

1095 reporting obligation.
The rules have changed!

On February 21, 2023.....

Electronic Filing



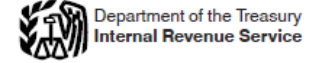
If you are required to file 10 or more information returns during the year, you must file the forms electronically. The 10-or-more requirement applies in the aggregate to certain information returns. Accordingly, a filer may be required to file fewer than 10 Forms 1094-C and 1095-C, but still have an electronic filing obligation based on other kinds of information returns filed. The electronic filing requirement does not apply if you request and receive a hardship waiver. The IRS encourages you to file electronically even though you are filing fewer than 10 returns.

1095-B

Who Must File using 1095-B forms:
A non ALE that provides minimum essential coverage to an individual during a calendar year must file an information return. Insured Coverage (Fully Insured) is provided by the carrier, and Level Funded, Self Insured, ICHRA should be provided by the Employer.

2024

Instructions for Forms 1094-B and 1095-B



Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments relating to Forms 1094-B, Transmittal of Health Coverage Information Returns, and 1095-B, Health Coverage, and their instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1094B](https://irs.gov/Form1094B) and [IRS.gov/Form1095B](https://irs.gov/Form1095B).

Additional Information

For information relating to the Affordable Care Act, visit [IRS.gov/ACA](https://irs.gov/ACA).

For the final regulations relating to Form 1095-B reporting, see T.D. 9660, 2014-13 I.R.B., at [IRS.gov/irb/2014-13_IRB/AR08.html](https://irs.gov/irb/2014-13_IRB/AR08.html) and T.D. 9970, 2023-02 I.R.B. 311, at [IRS.gov/irb/2023-02_IRB](https://irs.gov/irb/2023-02_IRB).

For additional guidance and proposed regulatory changes relating to Form 1095-B reporting, including the requirement to solicit the taxpayer identification number (TIN) of each covered individual for purposes of the reporting of health coverage information, see Proposed Regulations section 1.6055-1(h) and Regulations section 301.6724-1.

For additional information relating to reporting by providers of minimum essential coverage, go to [IRS.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Providers-of-Minimum-Essential-Coverage](https://irs.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Providers-of-Minimum-Essential-Coverage).

For information relating to filing Forms 1094-B and 1095-B electronically, visit [IRS.gov/For-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information-Return-Air-Program](https://irs.gov/For-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information-Return-Air-Program).

General Instructions for Forms 1094-B and 1095-B

Purpose of Form

Form 1095-B is used to report certain information to the IRS and to taxpayers about individuals who are covered by minimum essential coverage. Eligibility for certain types of minimum essential coverage can affect a taxpayer's eligibility for the premium tax credit.

Minimum essential coverage includes government-sponsored programs, eligible employer-sponsored plans, individual market plans, and other coverage the Department of Health and Human Services designates as minimum essential coverage. Minimum essential coverage is described in more detail under [Who Must File](#), later.

TIP Minimum essential coverage doesn't include coverage consisting solely of excepted benefits. Excepted benefits include vision and dental coverage not part of a comprehensive health insurance plan, workers' compensation coverage, and coverage limited to a specified disease or illness.

Who Must File

Every person that provides minimum essential coverage to an individual during a calendar year must file an information return reporting the coverage. Filers will use Form 1094-B (transmittal) to submit Forms 1095-B (returns).

Employers (including government employers) subject to the employer shared responsibility provisions sponsoring self-insured group health plans, including individual coverage health reimbursement arrangements (HRAs), will generally report information about the coverage in Part III of Form 1095-C instead of on Form 1095-B. However, employers that offer employer-sponsored self-insured health coverage to nonemployees who enroll in the coverage may use Form 1095-B, rather than Form 1095-C, Part III, to report coverage for those individuals and other family members. In general, employers with 50 or more full-time employees (including full-time equivalent employees) during the prior calendar year are subject to the employer shared responsibility provisions. See the Instructions for Forms 1094-C and 1095-C for more information about who must file Forms 1094-C and 1095-C and for more information about reporting coverage for nonemployees. Small employers that aren't subject to the employer shared responsibility provisions sponsoring self-insured group health plans will use Forms 1094-B and 1095-B to report information about covered individuals.

Insured coverage. Health insurance issuers and carriers must file Form 1095-B for most health insurance coverage, including individual market coverage and insured coverage sponsored by employers. However, health insurance issuers and carriers don't report coverage under the Children's Health Insurance Program (CHIP), Medicaid, Medicare (including Medicare Advantage), or the Basic Health Program provided through health insurance companies. These types of coverage are reported by the government sponsors of those programs.

In addition, health insurance issuers and carriers aren't required to file Form 1095-B to report coverage in individual market qualified health plans that individuals enroll in through Health Insurance Marketplaces. This coverage is generally reported by Marketplaces on Form 1095-A. However, health insurance issuers are required to file Form 1095-B to report on coverage for employees obtained through the Small Business Health Options Program (SHOP). For coverage in 2024 (filing in 2025), health insurance issuers and carriers are encouraged (but not required) to report coverage in catastrophic health plans enrolled in through the Marketplace.

Eligible Employer-Sponsored Plans

Eligible employer-sponsored plans are minimum essential coverage and include the following.

1. Group health insurance coverage for employees under the following.
 - a. A governmental plan, such as the Federal Employees Health Benefits program.
 - b. An insured plan or coverage offered in the small or large group market within a state.
 - c. A grandfathered health plan offered in a group market.

Form **1095-B**

Health Coverage

VOID

OMB No. 1545-2252

CORRECTED

2024

Department of the Treasury
Internal Revenue Service

Do not attach to your tax return. Keep for your records.

Go to www.irs.gov/Form1095B for instructions and the latest information.

Part I Responsible Individual

1 Name of responsible individual—First name, middle name, last name		2 Social security number (SSN) or other TIN	3 Date of birth (if SSN or other TIN is not available)		
4 Street address (including apartment no.)		5 City or town	6 State or province	7 Country and ZIP or foreign postal code	

8 Enter letter identifying Origin of the Health Coverage (see instructions for codes): . . . Reserved

Part II Information About Certain Employer-Sponsored Coverage (see instructions)

10 Employer name			11 Employer identification number (EIN)		
12 Street address (including room or suite no.)		13 City or town	14 State or province	15 Country and ZIP or foreign postal code	

Part III Issuer or Other Coverage Provider (see instructions)

16 Name		17 Employer identification number (EIN)		18 Contact telephone number	
19 Street address (including room or suite no.)		20 City or town	21 State or province	22 Country and ZIP or foreign postal code	

Part IV Covered Individuals (Enter the information for each covered individual.)

	(a) Name of covered individual(s) <small>First name, middle initial, last name</small>	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered <small>all 12 months</small>	(e) Months of coverage											
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
23				<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"/>
24				<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"/>
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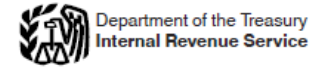
1095-C

Who Must File using 1095-C forms:
ALE is generally a single person or entity or a member of an Aggregated ALE group with over **50 Full Time Equivalents** in the prior tax year.

For each full-time employee of an ALE member, there must be **only one Form 1095-C** filed for the employment time with that ALE.

2024

Instructions for Forms 1094-C and 1095-C



Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and the instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1094C](https://www.irs.gov/Form1094C) and [IRS.gov/Form1095C](https://www.irs.gov/Form1095C).

Additional Information

For information related to the Affordable Care Act, visit [IRS.gov/ACA](https://www.irs.gov/ACA). For the final regulations under section 6056, Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans, see T.D. 9661, 2014-13 I.R.B. 855, at [IRS.gov/irb/2014-13_IRB/ar09.html](https://www.irs.gov/irb/2014-13_IRB/ar09.html). For the final regulations under section 6055, Information Reporting of Minimum Essential Coverage, see T.D. 9660, 2014-13 I.R.B. 842, at [IRS.gov/irb/2014-13_IRB/ar08.html](https://www.irs.gov/irb/2014-13_IRB/ar08.html) and T.D. 9970, 2023-02 I.R.B. 311, at [IRS.gov/irb/2023-02_IRB](https://www.irs.gov/irb/2023-02_IRB). For the final regulations under section 4980H, Shared Responsibility for Employers Regarding Health Coverage, see T.D. 9655, 2014-9 I.R.B. 541, at [IRS.gov/irb/2014-9_IRB/ar05.html](https://www.irs.gov/irb/2014-9_IRB/ar05.html). For answers to frequently asked questions regarding the employer shared responsibility provisions and related information reporting requirements, visit [IRS.gov](https://www.irs.gov).

For information related to filing Forms 1094-C and 1095-C electronically, visit [IRS.gov/AIR](https://www.irs.gov/AIR). For FAQs specifically related to completing Forms 1094-C and 1095-C, go to [IRS.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C](https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C).

For additional guidance and proposed regulatory changes relating to section 6055, including the requirement to solicit the TIN of each covered individual for purposes of the reporting of health coverage information, see Proposed Regulations section 1.6055-1(h) and Regulations section 301.6724-1.

General Instructions for Forms 1094-C and 1095-C

See [Definitions](#), later, for key terms used in these instructions.

Purpose of Form

Employers with 50 or more full-time employees (including full-time equivalent employees) in the previous year use Forms 1094-C and 1095-C to report the information required under sections 6055 and 6056 about offers of health coverage and enrollment in health coverage for their employees. Form 1094-C must be used to report to the IRS summary information for each Applicable Large Employer (ALE Member) (defined below) and to transmit Forms 1095-C to the IRS. Form 1095-C is used to report information about each employee to the IRS and to the employee. Forms 1094-C and 1095-C are used in determining whether an ALE Member owes a payment under the employer shared responsibility provisions under section 4980H. Form

1095-C is also used in determining the eligibility of employees for the premium tax credit.

ALE Members that offer employer-sponsored, self-insured coverage also use Form 1095-C to report information to the IRS and to employees about individuals who have minimum essential coverage under the employer plan.

Who Must File

An ALE Member must file one or more Forms 1094-C (including a Form 1094-C designated as the Authoritative Transmittal, whether or not filing multiple Forms 1094-C), and must file a Form 1095-C for each employee who was a full-time employee of the ALE Member for any month of the calendar year. Generally, the ALE Member is required to furnish a copy of the Form 1095-C (or a substitute form) to the employee.

An ALE Member is, generally, a single person or entity that is an Applicable Large Employer, or if applicable, each person or entity that is a member of an Aggregated ALE Group. An Applicable Large Employer, generally, is an employer with 50 or more full-time employees (including full-time equivalent employees) in the previous year. For purposes of determining if an employer or group of employers is an Applicable Large Employer, all ALE Members under common control (an Aggregated ALE Group) are aggregated together. If the Aggregated ALE Group, taking into account the employees of all ALE Members in the group, employed on average 50 or more full-time employees (including full-time equivalent employees) on business days during the preceding calendar year, then the Aggregated ALE Group is an Applicable Large Employer and each separate employer within the group is an ALE Member. Each ALE Member is required to file Forms 1094-C and 1095-C reporting offers of coverage to its full-time employees (even if the ALE Member has fewer than 50 full-time employees of its own).

For more information on which employers are subject to the employer shared responsibility provisions of section 4980H, see [Employer](#) in the [Definitions](#) section of these instructions. For more information on determining full-time employees, see [Full-Time Employee](#) in the [Definitions](#) section of these instructions, which includes information on the treatment of new hires and employees in Limited Non-Assessment Periods.

TIP For purposes of reporting on Forms 1094-C and 1095-C, an employee in a Limited Non-Assessment Period is not considered a full-time employee during that period.

Reporting by Employers That Sponsor Self-Insured Health Plans

An employer that offers health coverage through a self-insured health plan must report information about each individual enrolled in such coverage. For an employer that is an ALE Member, this information must be reported on Form 1095-C, Part III, for any employee who is enrolled in coverage (and any spouse or dependent of that employee). See the option to file Form 1094-B and Form 1095-B, rather than Form 1094-C and Form 1095-C, to report coverage of certain non-employees, below.



Employee Required Contribution on Line 15

For ICHRA, calculating the monthly “Employee Required Contribution” for Line 15 is a bit more complex than with a traditional group health plan

Why?? Health insurance premiums in the individual market vary by geography and age

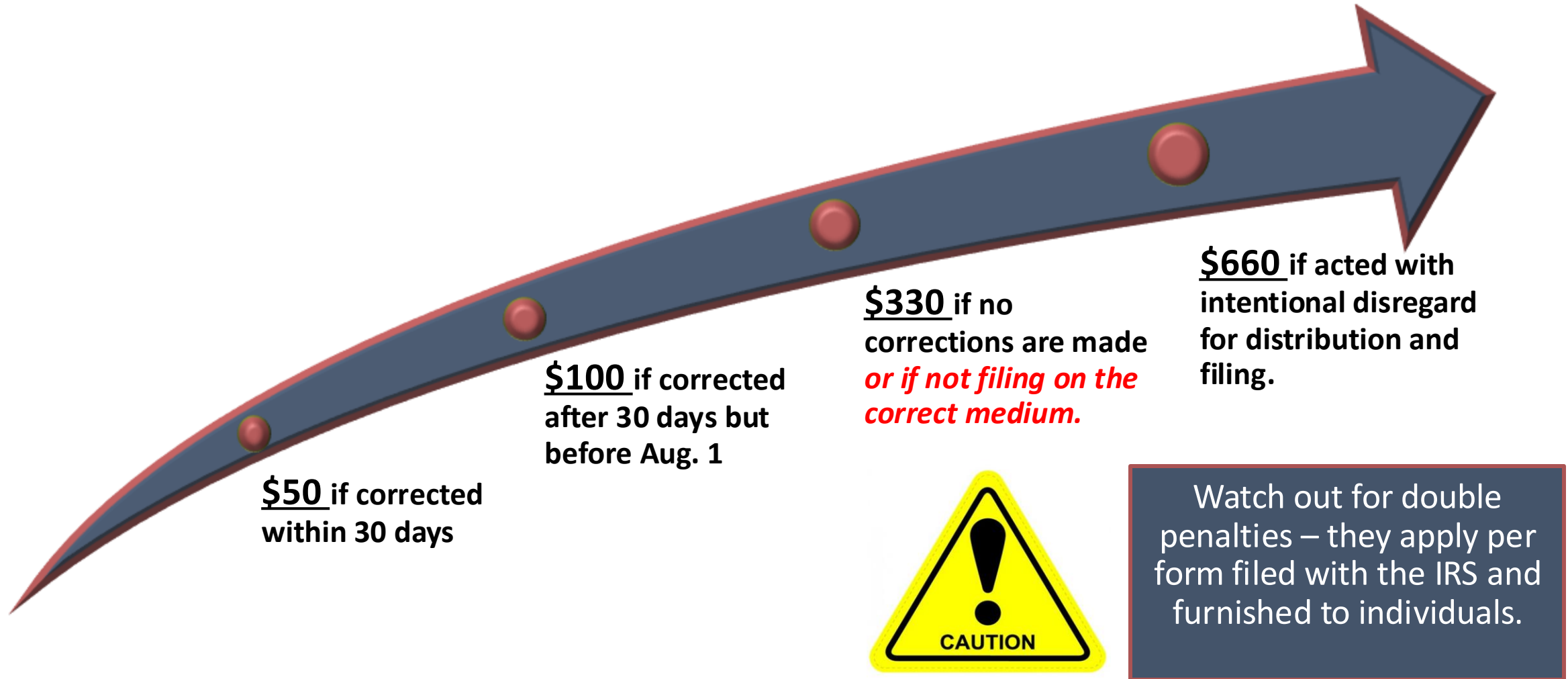
The simple formula for calculating the amount to enter on Line 15:

$$\text{Employee Required Contribution} = \text{LCSP Premium} - \text{ICHRA Allowance}$$

LCSP = Lowest-cost silver plan an employee could purchase on the marketplace

ICHRA Allowance = Amount of \$\$ employer offering per month via ICHRA program

IRS Uses Form W-2 to Identify Non-Filer ALEs & Reporting Penalties Apply Per Form 1094/1095-C



Date: 04/19/2024
Taxpayer ID number:

Tax year: 2022
Person to contact: 4980H Response Unit
Employee ID number: Letter 5699
Contact telephone number: 866-379-6176
Contact e-fax number: 877-792-2723

SAN ANTONIO, TX 78216

Dear

Our records show you may have been an Applicable Large Employer (ALE) in 2022 and therefore required to file certain information returns for 2022. We haven't received those returns for the taxpayer ID number shown at the top of this letter.

Internal Revenue Code (IRC) Section 6056 requires employers that are ALEs to file information returns with the IRS and provide statements to their full-time employees relating to the health insurance coverage, if any, the employer offered its full-time employees. ALEs meet these reporting requirements using Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Return, and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage.

How to know if you're required to file

In general, an employer is an ALE for a year (and thus subject to the reporting requirements) if it had an average of 50 or more full-time employees (including full-time equivalent employees) during the preceding calendar year. For this purpose, there are specific definitions of full-time employee and full-time equivalent employee, exceptions for certain seasonal workers and employees with TRICARE or Veterans Administration health coverage, and specific rules for employers that are members of an aggregated group under IRC §§ 414(b), (c), (m) or (o). For more information on these rules and other information about how to determine if you were an ALE in 2022, visit the ACA Information Center for Applicable Large Employers (ALEs) at www.irs.gov, keyword "ALEs."

Employers required to file at least 250 Forms 1095-C generally must file electronically. Other employers may file either electronically or on paper. You can find the 2022 Forms 1094-C and 1095-C and Instructions for Forms 1094-C and 1095-C, which includes information on how to file returns with the IRS, at www.irs.gov (at the top of the screen select "Forms & Pubs," under the "Browse" heading choose "List of Prior Year Forms & Pubs" and in the "Find" box enter "1094-C" or "1095-C," as applicable).

Letter 5699 (Rev. 8-2018)
Catalog Number 68386P

5699



5698



5005-A



CP215

Date: 05/06/2024
Taxpayer ID number:

Form: 1094/1095-C
Person to contact: 4980H Response Unit
Contact telephone number: 866-379-6176
Contact fax number: 877-792-2723
Employee ID number: Letter 5699
Last date to respond to this letter: 06/05/2024

Dear

- We're proposing penalties for failure to timely file the following forms as required by Internal Revenue Code Section (IRC) 6056. IRC Section 6721 imposes a penalty for such failures.
- Form 1094-B, Transmittal of Health Coverage Information Returns
 - Form 1095-B, Health Coverage
 - Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns
 - Form 1095-C, Employer-Provided Health Insurance Offer and Coverage

- We're proposing penalties for failure to timely provide the following forms to individuals as required by Internal Revenue Code Section (IRC) 6056. IRC Section 6722 imposes a penalty for such failures.
- Form 1095-B, Health Coverage
 - Form 1095-C, Employer-Provided Health Insurance Offer and Coverage

We enclosed an explanation of items, including the amount of the penalty and why it's been charged.

If you agree with the penalties, send a copy of this letter and payment payable to the U.S. Treasury to the address listed above. If you agree but can't pay the full amount now, pay as much as you can to avoid interest, and then contact us using the information above.

If you disagree with the penalties, you'll have the opportunity to appeal the penalties after we send you a formal request for payment.

If you have questions, you can call or write to the information above.

Thank you for your cooperation.

Sincerely,

Michelle A Kite

Michelle Kite
Operation Manager

Enclosures:
Explanation of Items
Publication 1

Letter 5005-A (Rev. 10-2018)
Catalog Number 69555C

Date:
10/18/2024
Employer ID number:

Tax year:
2022
Person to contact:
4980H Response Unit
Employee ID number:
L226J
Contact telephone number:
866-379-6176
Contact e-fax number:
877-792-2723
Response date:
11/17/2024

BROWNWOOD, TX 76801

Dear _____ LLC:

We've made a preliminary calculation of the Employer Shared Responsibility Payment (ESRP) that you owe.

Proposed ESRP **\$85,017.82**

Our records show that you filed one or more Forms 1095-C, Employer-Provided Health Insurance Coverage, and one or more Forms 1094-C, Transmittal of Employer-Provided Health Insurance Coverage Information Returns, with the IRS. Our records also show that for one or more of the full-time employees you identified on Form 1095-C was allowed the premium on that full-time employee's individual income tax return filed with the IRS. Based on this proposing that you owe an ESRP for one or more months of the year.

You generally owe an ESRP for a month if either:

- You did not offer minimum essential coverage (MEC) to at least 95% of your full-time employees (and their dependents) and at least one of your full-time employees was certified as being eligible for the health plan.
- You offered MEC to at least 95% of your full-time employees (and their dependents), your full-time employees was certified as being allowed the PTC (because the coverage was unaffordable or did not provide minimum value, or the full-time employee wasn't off

This letter certifies, under Section 1411 of the Affordable Care Act, that for at least one month or more of your full-time employees was enrolled in a qualified health plan for which a PTC was available.

Based on this certification and information contained in our records, we're proposing that you owe an ESRP of **\$85,017.82**.

If you agree with the proposed ESRP

- Complete, sign, and date the enclosed Form 14764, ESRP Response, and return it to us by the response date on the first page of this letter.
- Include your payment of \$85,017.82. If you're enrolled in the Electronic Federal Tax Payment System (EFTPS), you can pay electronically instead of by check or money order.
- If you don't pay the entire agreed-upon ESRP, you'll receive a Notice and Demand (your "bill") for the balance due. For additional payment options, refer to Publication 594, The IRS Collection Process, or call the telephone number on your bill. We'll begin the collection process if you don't make payment in full and on time after you receive your bill.

If you disagree with the proposed ESRP

- Complete, sign, and date the enclosed Form 14764, ESRP Response, and return it to us by the response date on the first page of this letter.
 - Include a signed statement explaining why you disagree with part or all of the proposed ESRP. You may include documentation supporting your statement.
 - Make sure your statement describes changes, if any, you want to make to the information reported on your Forms 1094-C or Forms 1095-C. At this time, do not file a corrected Form 1094-C with the IRS to report any changes you want to make to your Form 1094-C filed for the tax year shown on the first page of this letter.
 - Make changes, if any, on the **Employee PTC Listing** using the indicator codes in the Instructions for Forms 1094-C and 1095-C for the tax year shown on the first page of this letter. At this time, do not file corrected Forms 1095-C with the IRS to report requested changes to the Employee PTC Listing for the tax year shown on the first page of this letter.
 - Include your revised Employee PTC Listing, if necessary, and any additional documentation supporting your changes with your Form 14764, ESRP Response, and signed statement.

Notes:

Due Dates

Tax Year

Call IRS to request 30 day extension of deadline - Write Agent

Badge ID

If you cannot get through - Fax the request.

You must speak to the IRS in their terms.

ESRP Summary Table

Information Reported to IRS

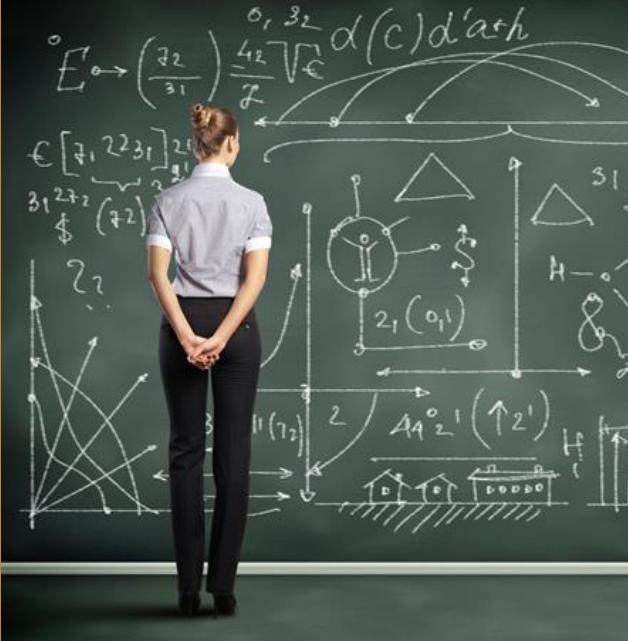
Month	a. Form 1094-C, Part III, Col (a) Minimum essential coverage offer indicator offered to at least 95%	b. Form 1094-C, Part III, Col (b) Full-time employee count for ALE member	c. Allocated reduction of full-time employee count for IRC Section 4980H(a)	d. Count of assessable full-time employees with a PTC for IRC Section 4980H(a)	e. Count of assessable full-time employees with a PTC for IRC Section 4980H(b)	f. Applicable IRC Section 4980H provision	g. Monthly ESRP amount
January	No	211	30	2	1	4980H(a)	\$41,479.77
February	No	205	30	1	0	4980H(a)	\$40,104.75
March	Yes	177	30	1	0	4980H(a)	\$0.00
April	Yes	195	30	3	0	4980H(a)	\$0.00
May	Yes	211	30	6	1	4980H(b)	\$343.33
June	Yes	237	30	7	1	4980H(b)	\$343.33
July	Yes	268	30	9	1	4980H(b)	\$343.33
August	Yes	289	30	12	2	4980H(b)	\$686.66
September	Yes	292	30	15	2	4980H(b)	\$686.66
October	Yes	323	30	14	1	4980H(b)	\$343.33
November	Yes	330	30				
December	Yes	346	30				

It just takes 1 to trigger the review!!

Answers need a reason, not just a fix

Employee Name (last, first)	SSN (last 4 digits)	All 12 months Indicator Codes (Form 1095-C, lines 14 and 16 combined)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Additional Information Attached
	6986		NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	1H/	1H/	NOPTC	1H/	NOPTC	NOPTC	<input type="checkbox"/>
	6842		NOPTC	NOPTC	NOPTC	NOPTC	1H/	1H/	NOPTC	1H/	1H/	1A/	1A/	1A/	<input type="checkbox"/>
	1563		1H/	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	<input type="checkbox"/>
	4290		NOPTC	1A/	1A/	1A/	1A/	1A/	1A/	1A/	1A/	1A/	1A/	1A/	<input type="checkbox"/>
	0884		NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	1H/	NOPTC	1H/	1H/	<input type="checkbox"/>
	6748		1A/	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	NOPTC	<input type="checkbox"/>

Employer ACA Penalty Notices



IRS Notice	Details
Letter 226J	Sent to ALE identified as failing to comply with Employer Mandate. Triggered when a Full Time EE receives premium tax credit. *30-day extension available generally
Letter 5040J	Follow up to 226J if unanswered, no more extensions available
Letter 5699	Notice of missing 1095 forms filed with the IRS and furnished to employees. Must respond within 30 days to the IRS with details about why no filing.
Letter 5698	Additional request from IRS generally 30 days past the first 5699 request.
Letter 5005-A	Final Notice to employer when a 5699 was sent.
CP 215	Civil Penalty is a demand for penalty payment after the IRS has reviewed your response or has no response.
Other letters	For more details, check with legal counsel



How can ETC help you with your IRS Reporting?

ETC will:

1. Gather your legal company information for IRS setup.
2. Collect an Employment Roster with pertinent data.
3. Process ICHRA medical benefit enrollment information from Take Command.
4. Collect and analyze information on those that waive insurance.
5. Print & Mail forms to employees and electronically file with the IRS

Compliance – Check!



in partnership with



ICHRA IRS Reporting



Wondering what type forms you need to file with the IRS?

It depends whether you are an Applicable Large Employer (ALE) with 50+ Full Time Equivalent (FTEs).

[Help me Understand the Rules.](#)



Yes, I am an ALE. (50+ FTE)

I need 1095-C IRS help!

This link will give you details about our service including exclusive Take Command client discount pricing.

[Sign up HERE.](#)



NO, I am not an ALE.

I need 1095-B help!

Head on over to this page to find details on the ETC B-form filing and information on our Take Command client discount pricing.

[Sign up HERE.](#)

<https://www.eligibilitytrackingcalculators.com/take-command-ichra-reporting/>



Next Steps & Reminders

- Submit any missing data to Take Command (TC) by Dec. 15th
- Expect data & guidance from TC in early January
- Deadlines
 - March 3rd – Provide 1095 forms to employees
 - March 31st – File forms electronically with IRS

Looking for help? Connect with the team at ETC

Q&A



Kyle Estep

Sr. Vice President
Take Command Health



Heather Garcia

Founder
ETC



Matt Scott

Director of Sales
ETC