

ACA: Compliance Alert - January 2018

The new year not only brought resolutions, but also compliance issues for your clients. BenefitMall has compiled the **top three issues** for 2018 (so far).

1 Tax Bill Impacts

- ❑ The tax act ends the individual mandate to purchase health coverage beginning in 2019.
- ❑ The legislation reduces the tax penalty to zero for going without coverage.
- ❑ It will not alter the ACA's mandate that employers with 50 or more full-time equivalent employees offer their full-time workers ACA-compliant health coverage, nor will it change employers reporting obligations.

2 1095/1094: Reminders for a Successful Filing

- ❑ Most of the changes made in the instructions involve the elimination of discussions related to the transition relief provisions that applied in previous years.
- ❑ 1095-C and 1095-B forms are due on March 2, 2018, this is an extension from January 31, 2018.
- ❑ Employees will be required to submit this data on their 1040.
- ❑ Form 1094-C: A box in Line 22 called "Section 4980H Transition Relief" has been removed. It is not applicable in 2017.
- ❑ Forms 1095-B and 1095-C: A paragraph called "Additional information" in the instructions for recipients directs individuals to an [IRS webpage](#) providing information on the individual and employer shared-responsibility provisions and premium tax credits.

3 IRS Notice 226J: Impact to Applicable Large Employers (ALEs)

- ❑ Notices will be sent to ALEs based on 1095-C and 1094-C from 2015 tax year.
- ❑ ALE would be subject to a penalty fee if, for at least one month in the year, one or more of its full-time workers received a premium tax credit through the ACA's Health Insurance Marketplace because the ALE failed to provide ACA-compliant health coverage.
- ❑ The IRS posted a sample [Letter 226J](#), Preliminary Calculation of the Employer Shared Responsibility Payment, and an [explanation of Letter 226J](#), which describes how ALEs should respond to this letter.
- ❑ Any ALE that receives a Letter 226J will be provided with 30 days to respond before the IRS demands payment.
- ❑ [IRS Letter 226J](#) will include: IRS Form 14765, Employee Premium Tax Credit Listing, with a list the ALE's assessable full-time employee for the year in question.
- ❑ [IRS Form 14764](#), Employer Shared Responsibility Payment Response. Employers receiving Letter 226J should complete, sign, and date the enclosed Form 14764 and return it to the IRS to report any changes they want to make to their Form 1094-C.

