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Health Care Reform Alert

October 5, 2016

Final 2016 Forms and Instructions for IRS Reporting Requirements

On October 3, 2016, the Internal Revenue Service (IRS) released final 2016 Forms 1094-C and 1095-C and their accompanying instructions. These forms and instructions will be used for Affordable Care Act (ACA) Applicable Large Employer reporting (for compliance with the 'employer mandate') and self-insured large group Minimum Essential Coverage (MEC) reporting for coverage offered in calendar year 2016.

In September 2016, the IRS released final 2016 Forms 1094-B and 1095-B and the applicable instructions for insurance carriers and small employers who self-insure their group health plans to report MEC.

Changes to Form 1094-C are minimal from the 2015 Forms. The most notable changes include:

- **Line 22** is "Reserved," as it pertained to the "Qualifying Offer Method Transition Relief," which is not applicable to 2016 coverage.
- **Part III, column (b)** includes a new distinction, "Section 4980H" before "Full-Time Employee Count for ALE Member." This is intended to remind filers that only the section 4980H definition of "full-time employee" should be used in this column (no other definition can be used).

Changes to Form 1095-C are also minimal from the 2015 Forms, but include these more prominent updates:

- **New language below the form title** states "Do not attach to your tax return. Keep for your records." This is intended to help prevent individuals from submitting

the form with their tax return.

- **Line 15** has a revised header, “Employee Required Contribution (see instructions).”
- **Lines 14 and 16** have certain codes “Reserved,” as they no longer apply to 2016 coverage, and new codes (1J and 1K) have been added to Line 14.
- **Transition relief** available to employers for 2015 under sections 4980H and 6056 has limited applicability in 2016. References to transition relief that applied only in 2015 have been removed. Descriptions of the remaining forms of transition relief have been amended to clarify for which months in 2016 the transition relief applies (description and when it applies is available in Section 4980H Transition Relief for 2015 Plan Years).

The 2016 IRS Forms 1094-B and 1095-B have similar changes for reporting 2016 coverage in 2017. The instructions for both sets of forms include applicable code information to help ensure correct reporting for each line item.

Final Instructions and Forms

[Instructions for Forms 1094-C and 1095-C](#)

Used by applicable large employers, i.e., those subject to the employer mandate. Self-insured plan sponsors complete the entire Form 1095-C.

[Form 1094-C \(a transmittal/cover sheet\) to the IRS](#)

[Form 1095-C to both the IRS and individuals](#)

Applicable large employers with insured plans will only complete Parts I and II of Form 1095-C.

[Instructions for Forms 1094-B and 1095-B](#)

Insurance carriers and small employers with self-insured plans use these forms.

[Form 1094-B \(a transmittal /cover sheet\) to the IRS](#)

[Form 1095-B to both the IRS and individuals](#)

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