ACA Information and Q&A

Information

1. In Alabama, we will only use one of the two offer of coverage codes – 1A (coverage offered) or 1H (coverage not offered) for ACA full-time (average 30 hours or more per week) employees.

2. 1095-C forms will be generated for all employees that were categorized as ACA full-time at any point during the year. If you have adopted the 12-month lookback period methodology, employees that are employed the entire 12-months of the calendar year in the same type of position will have the same ACA full-time/not full-time status for the entire year. Changes in this status will normally be due to job changes (new hires, retirements, job change (i.e. sub hired as a teacher)).
   a. Example – An employee retires. During the months they were covered by the LEAs PEEHIP, they will be 1A. When they are covered by Retiree PEEHIP those months will be 1H.

3. The Offer of Coverage field for employee types anticipated to work less than 30 hours per week average and individual employees that average less than 30 hours should be left blank. The export program includes all employees with an offer of coverage code (1A or 1H).

4. For 1095-C forms that include a 1H, an error/warning will be generated as part of the export process. Once in excel, the LEA will have an opportunity to include a Safe Harbor Code to explain the lack of an offer of coverage to an ACA “full-time” employee. NOTE that the 1H remains in the month’s OOC column and then the 2A or 2B is added to the appropriate month’s SH column. The Safe Harbor Codes are:
   a. 2A – Employee not employed during the month
   b. 2B – Employee not a full-time employee
   c. 2D – Employee in a section 4980H(b) Limited Non-Assessment Period. First Calendar Month of Employment. If the employee’s first day of employment is a day other than the first day of the calendar month, then the employee’s first calendar month of employment is a Limited Non-Assessment Period.

5. The IRS has extended the deadline for applicable large employers. Form 1095-C is now due to individuals by March 31, 2016 and the associated 1094 is due to the IRS June 30, 2016 for electronic filers.
6. For mid-year hires/retirees, the deduction month may not align with the coverage month depending on your payment date.
   a. If an employee is covered for every day of their last month, but there is no PEEHIP deduction during that month, the report will show 1H. This needs to be changed to 1A only if the employee was offered coverage every day of the month.

7. Get info - If AP is paying insurance allocation on the “PEEHIP Allocations Due” report the ACA program will not pick this up. Instead use the offline check procedure in Payroll so these allocations will be included.

**Questions & Answers**

1. What will the employees do with the forms once we give the forms to them? Do they use them to file with their tax returns, keep for audit records, etc.?
   According to the instructions for the Form 1040, these forms “may be helpful, but are not necessary to file your individual tax return”.

2. Do retired employees returning to work as part time receive a 1095C form?
   A 1095-C is generated for any employee that at any time during the year was classified as ACA full-time.
   a. If an ACA full-time employee retires mid-year and returns part-time, they are 1A for the months they are offered coverage and 1H/2B for the months they are not offered coverage, but working part-time for your system. The second year, when they are a part-time employee the entire year, they do not receive a 1095-C from your system.

3. My printed 1095-C doesn’t show covered individuals in part III. Is this ok?
   Yes, Part III is only for Employers providing self-insured coverage, which is not the type of coverage you provide.

4. I’m using offer of coverage codes 1A (coverage offered) and 1H (coverage not offered). I’m using 1H for substitutes, afterschool workers and part-time retirees. I am not using any other code. Is this correct?
   It is correct that only offer of coverage codes 1A and 1H should be used. I want to clarify that ONLY ACA full-time employees should have a 1A or 1H in their Nextgen data. Employees that are not ACA full-time should be blank.

5. What do we code a former employee that receives a w2 for 2015 but is no longer employed with us?
   If the individual was ACA full-time when employed with you, they will be 1A during the months that they were covered and 1H/2A for the months that they were not your employee.
6. If an employee resigns on May 31, has worked all year (meaning they will receive salary payments and have coverage through August 31st) for June, July, and August are they 1A even though their employment ended in May? **Yes, the employee is offered coverage in June, July, and August so they will be 1A for those months. Keep in mind that if a PEEHIP deduction is not included in the August check, the program will show a 1H. If the employee was covered in August, this should be changed to a 1A.**