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Information Reporting by Applicable Large Employers

Basic Information

- Applicable large employers (ALE) must report to the IRS information about the health care coverage, if any, they offered to full-time employees. The IRS will use this information to administer the [employer shared responsibility provisions](#) and the premium tax credit.
- ALEs also must furnish to employees a statement that includes the same information provided to the IRS. Employees may use this information to determine whether, for each month of the calendar year, they may claim the premium tax credit on their individual income tax returns.
- Some ALEs may be eligible to use an alternative reporting method designed to simplify and reduce the cost of reporting. For more information about the alternative reporting methods, see section 301.6056-1(j) of the [regulations](#).
- ALEs that file 250 or more information returns during the calendar year must file the returns electronically. For more information, see these [Questions and Answers](#) and the How to File Electronically section below. For information on the communication procedures, transmission formats, business rules and validation procedures for returns transmitted electronically through the ACA Information Reports (AIR) system, review draft [Publication 5165](#), Guide for Electronically Filing Affordable Care Act (ACA) Information Returns.

Coordination With the Employer Shared Responsibility and Premium Tax Credit Provisions

This information reporting is integral to the administration of the employer shared responsibility provisions because it provides information to the IRS about the health coverage, if any, an employer offers to its full-time employees. Information reporting also is integral to the administration of the premium tax credit. The IRS and any employee who does not enroll in an employer plan (but instead enrolls in coverage at the Health Insurance Marketplace) need information on the employer's offer of coverage, including the cost of coverage, to determine whether that individual is eligible for the premium tax credit.

Affected Employers

This information reporting provision requires an ALE to report information about health insurance coverage offered to its full-time employees (and their dependents). ALEs are required to report to the IRS, as well as to their full-time employees, regardless of whether the ALE actually offers health insurance coverage. Even if an ALE with at least 50 but fewer than 100 full-time employees (including full-time equivalents) is eligible for the transition relief for 2015 from the employer shared responsibility provision ([ESRP final regulation](#) and [ESRP Q&As 34, 35 and 36](#)), the ALE is still required to complete the information reporting for 2015.

For more information about determining if an employer is an ALE, check our [ALE page](#) and questions 4-14 of our [Questions and Answers](#).

Controlled Group / Common Ownership

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 determining ALE status. The employers that comprise the ALE are each referred to as ALE members.

The employer information reporting requirements are applied separately to each ALE member comprising the ALE, consistent with the approach used to determine any assessable payment. For example, each ALE member is liable for its own information reporting requirements, and is not liable for the information reporting requirements of any other entity in the controlled group comprising the ALE.

For more information on the employer aggregation rules, see [section V.D.](#) of the preamble to the employer shared responsibility provision regulations, [section 54.4980H-2](#) of the ESRP regulations and ESRP Q&A #6 and #42 .

When to Report

ALE members must file [Form 1095-C, Employer-Provided Health Insurance Offer and Coverage](#), and [Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns](#), with the IRS annually, no later than February 28 (March 31 if filed electronically) of the year immediately following the calendar year to which the return relates. This is the same filing schedule applicable to other information returns commonly filed by employers, such as Forms W-2 and 1099.

Also, ALE members are required to furnish a statement to each full-time employee that includes the same information provided to the IRS, by January 31 of the calendar year following the calendar year for which the information relates.

[Transition relief](#) provides that employers do not have to file information returns with the IRS and furnish statements to their full-time employees until 2016 for the 2015 year. Thus, under this transition relief, the first statements to employees must be furnished by January 31, 2016, and the first information returns to the IRS must be filed by February 28, 2016 (March 31, 2016, if filed electronically).

Although the first information returns and employee statements are not due until 2016 for the 2015 year, employers may choose to file for the 2014 year. ALE members may voluntarily comply with these information reporting provisions for 2014 in preparation for the full application of the provisions for 2015. No penalties will be applied for failure to comply with these information reporting provisions for 2014.

ALEs who are self-insured – that is, employers who sponsor self-insured group health plans – are subject to the employer information reporting requirements as well as the reporting requirements for providers of [minimum essential coverage](#).

Information to be Reported to the IRS

Information to be reported to the IRS includes identification of the ALE, identification of full-time employees to whom an offer of coverage is made, and duration of the offer. Specific information to be reported to the IRS can be found in [section 301.6056-1\(d\) of the regulations](#).

Information to be Furnished to Full-Time Employees

Information contained in the statement to be furnished to full-time employees includes identification of the employer and the same information required to be reported to the IRS for each full-time employee. Specific information to be furnished can be found in [section 301.6056-1\(f\) of the regulations](#).

How to Report

Each ALE member must file a [Form 1095-C, Employer-Provided Health Insurance Offer and Coverage](#), and [Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns](#), with the IRS for its full-time employees. The ALE member must also furnish a similar statement to each of its full-time employees.

Similar to the separate Form W-2, Wage and Tax Statement, filed by an employer for each employee, and the Form W-3, Transmittal of Wage and Tax Statements, filed as a transmittal form for the Forms W-2, a separate information return is required for each full-time employee. Forms 1095-C are filed accompanied by the transmittal form, Form 1094-C.

An ALE member can provide the required statement to the employer's full-time employees by furnishing a copy of the Form 1095-C filed with the IRS. Alternatively, these returns and employee statements may be provided by using substitute forms. A substitute form must include all of the information required to be reported on Forms 1094-C and 1095-C, and must comply with applicable revenue procedures or other published guidance relating to substitute returns.

For more information about Forms 1094-C and 1095-C, see our [questions and answers](#).

Self-Insured Employers

Employers, whether or not they are ALEs, that are self-insured – that is, employers who sponsor self-insured group health plans – must report information about employees (and their spouse and dependents) who enroll in coverage under the [information reporting requirements for providers of minimum essential coverage](#).

Self-insured employers that are ALEs must use [Form 1095-C](#) and the transmittal [Form 1094-C](#) to meet their reporting requirements

Employers who are not ALEs but who sponsor self-insured group health plans must report information about employees (and their spouse and dependents) who enroll in the coverage to their employees, even though the employers are not subject to the employer shared responsibility provisions or the information reporting requirements for ALEs. These non-ALEs use [Form 1095-B, Health Coverage](#), and the transmittal [Form 1094-B, Transmittal of Health Coverage Information Returns](#), to meet the information reporting requirements for providers of minimum essential coverage.

How to File Electronically

Form 1094-C and Form 1095-C are subject to the requirements to file returns electronically. ALE members that file 250 or more information returns must file the returns electronically through the [ACA Information Returns \(AIR\) program](#). For information on the communication procedures, transmission formats, business rules and validation procedures for returns transmitted electronically through the ACA Information Reports (AIR) system, ALEs should review draft [Publication 5165, Guide for Electronically Filing Affordable Care Act \(ACA\) Information Returns](#). The 250-or-more requirement applies separately to each type of return and separately to each type of corrected return. For more information on the electronic filing requirement see the [Instructions for Forms 1094-C and 1095-C](#).

ALE members must furnish a Form 1095-C to each of their full-time employees on paper by mail, unless the recipient affirmatively consents to receive the statement in an electronic format. The requirement for affirmative consent to receive the statement in electronic format ensures that statements are furnished electronically only to individuals who are able to access them. An individual may consent on paper or electronically. If consent is on paper, the individual must confirm the consent electronically.

Information Reporting Penalties

An ALE member that fails to comply with the information reporting requirements may be subject to the general reporting penalty provisions under section 6721 (failure to file correct information returns) and section 6722 (failure to furnish correct payee statement).

- The penalty for failure to file an information return generally is \$100 for each return for which such failure occurs. The total penalty imposed for all failures during a calendar year cannot exceed \$1,500,000.
- The penalty for failure to provide a correct payee statement is \$100 for each statement with respect to which such failure occurs, with the total penalty for a calendar year not to exceed \$1,500,000.
- Special rules apply that increase the per-statement and total penalties if there is intentional disregard of the requirement to furnish a payee statement.

The waiver of penalty and special rules under section 6724 and the applicable regulations, including abatement of information return penalties for reasonable cause, may apply to certain failures under section 6721 or 6722.

More information

Publications:

- [Publication 5196](#), Understanding Employer Reporting Requirements of the Health Care Law (trifold)
- [Publication 5208](#), Affordable Care Act: Are you an applicable large employer?

Questions and Answers:

- [Information reporting requirements for ALEs](#)
- [Information reporting requirements for insurers including self-insured employers](#)
- [Forms 1094-C and 1095-C](#)

- [Employer shared responsibility provision](#)

Legal Guidance and other information:

The Department of the Treasury and the IRS have also issued the following legal guidance related to the information reporting requirements:

- [Regulations](#) on the information reporting requirements for applicable large employers
- [Notice 2013-45](#), announcing transition relief for 2014 from this annual information reporting

More information is also available in this [fact sheet](#) issued by the U.S. Department of the Treasury.

Page Last Reviewed or Updated: 20-May-2015