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# REVISED

## Circular Letter

January 5, 2016

TO: **CALPERS PUBLIC AGENCIES, SCHOOLS, INDIVIDUAL SCHOOL DISTRICTS, AND CALIFORNIA STATE UNIVERSITIES**

SUBJECT: **AFFORDABLE CARE ACT REPORTING INFORMATION**

This Circular Letter provides information to health benefit officers and other personnel staff about an optional information notice that CalPERS' contracting employers may use to educate employees about new statements required by the Affordable Care Act (ACA) and its implementing regulations. This Circular Letter also provides information about minimum essential coverage (MEC) and applicable large employer (ALE) reporting requirements in response to employer inquiries, and provides links to Internal Revenue Service (IRS) resources.<sup>1</sup>

Please note that on December 28, 2015, the IRS extended the due dates for health care information reporting in 2016. ALEs and health coverage issuers or providers now have additional time to provide required 2015 health coverage information to individual taxpayers and the IRS. ALEs and issuers or coverage providers must now furnish individuals with either Form 1095-C or Form 1095-B by March 31, 2016. The due dates for issuers and coverage providers filing these forms and the associated Form 1094 transmittals with the IRS are May 31, 2016 for paper filers and June 30, 2016 for electronic filers. Please see [IRS Notice 2016-04](#) for more information.

### **Optional Employee Information Notice**

CalPERS developed the attached information notice that contracting employers may give to employees, as applicable, to provide advance notification about IRS reporting statements they may receive between January and March 2016. An employer's use of this notice is optional but its use may help mitigate employee confusion and questions. The notice provides information about the following IRS health coverage statements required by the ACA:

- Employer-Provided Health Insurance Offer and Coverage—1095-C
- Health Coverage—1095-B

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<sup>1</sup> CalPERS staff continue to assess laws and regulations related to ACA, which may affect contracting agencies and other employers. While we make every effort to assist employers, this Circular Letter is solely informational, current as of the date shown above, and general in nature. This Circular Letter should not be acted upon without specific legal advice. CalPERS encourages each contracting employer to thoroughly review the Circular Letter, and the federal regulations and corresponding guidance discussed within, with its own legal counsel to understand how it might specifically apply to them.

### **Employer Inquiries**

CalPERS has recently received inquiries related to the new IRS reporting requirements. We address these inquiries below but as a reminder, CalPERS' health plans will report the required MEC information on Form 1095-B to the IRS for CalPERS enrollees, including dependents, and provide a statement about this information to subscribers. CalPERS' contracting employers do not report MEC for their employees or their family members. Please see Circular Letter 600-020-14 for more information.

### **ALE Reporting, Form 1095-C**

As addressed in previous Circular Letters,<sup>2</sup> ALEs, as defined, are responsible for reporting to the IRS about the coverage offered (or not offered) to their full-time employees on Forms 1094-C and 1095-C to meet the employer shared responsibility requirements (the "employer mandate"). ALEs must also provide a statement to their full-time employees about the information reported to the IRS. A statement will either be a copy of the 1095-C form filed for a full-time employee or a substitute form. Employers are not required to report on retirees unless they were a full-time employee for at least one month during the reporting year.

CalPERS has received multiple inquiries related to Form 1095-C, Part III. Part III offers combined ALE and MEC reporting and is only intended for ALEs with enrollees in an employer-sponsored self-insured health plan. CalPERS' contracting employers should not complete Part III since they do not self-insure their employee health coverage. Instead, employers contract for, and purchase, health coverage through CalPERS, which self-insures some of our plan offerings; therefore, CalPERS contracting employers should leave Part III of Form 1095-C blank.

### **Missing Dependent SSNs**

Another area in which CalPERS has received questions is regarding missing dependent Social Security numbers (SSNs) and how CalPERS contracting employers can obtain these numbers. Employers are required to collect SSNs for all employees and their dependents at the time of enrollment in a CalPERS health plan; however, as mentioned above, since ALEs will not complete Part III of Form 1095-C, there is no need to initiate a special collection effort to report dependent SSNs. MEC reporting for all covered individuals, including dependents, will be accomplished through CalPERS' health plans. Despite the health plans' SSN collection efforts, as a reminder, employers are able to update missing SSNs in my|CalPERS should your employees provide them.

### **Information in my|CalPERS**

Employers have also inquired about obtaining employment information from my|CalPERS to assist them in completing the 1094-C and 1095-C reporting forms. Although CalPERS cannot provide legal or tax advice relative to the ACA and its reporting requirements, to assist employers in compiling information that could be helpful with their reporting, health benefit officers and other staff that have system access to health enrollment records in my|CalPERS may access this information and/or run COGNOS reports. The Monthly Employer Billing Roster Report, which is currently available in my|CalPERS, may have some useful information.

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<sup>2</sup> Please see Circular Letters 600-019-14 and 600-020-14.

Please note that COGNOS reports only contain information about who is enrolled in CalPERS' health plans, not who may be working full-time but not receiving benefits. If staff need assistance running these reports they may refer to the Student Guide for my|CalPERS Course 205 "[So You Want to Run a COGNOS Report?](#)" located on the CalPERS Website.

### **New IRS Resources**

The IRS recently created the [ACA Information Center for Applicable Large Employers](#) page on IRS.gov that features information and resources, including 2015 final reporting forms and instructions, for employers on how the ACA may affect them if they fit the definition of an ALE.

The web page includes the following sections:

- What's Trending for ALEs
- How to Determine if You are an ALE
- Resources for Applicable Large Employers
- Outreach Materials

Visitors to the new page will find links to:

- Detailed information about tax provisions including information reporting requirements for employers
- Questions and answers
- Forms, instructions, publications, health care tax tips, flyers and videos

Additional IRS resources include:

- <https://www.irs.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Applicable-Large-Employers> (General Information)
- <https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Reporting-of-Offers-of-Health-Insurance-Coverage-by-Employers-Section-6056> (Employer Reporting Q&A)
- <https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C> (Form Reporting Q&A)
- <https://www.irs.gov/Affordable-Care-Act/Questions-and-Answers-about-Health-Care-Information-Forms-for-Individuals> (Health Care Form Q&As for Individuals)

If you have any questions about the information provided in this Circular Letter, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

JAN FALZARANO, Acting Chief  
Health Policy Research Division

### **Attachment:**

1 - Optional Employee Information Notice