The Affordable Care Act – Reporting Requirements

Beginning in 2015, businesses of all sizes will be responsible for reporting health insurance-related information to the IRS, as required by the Affordable Care Act (ACA). There are varying degrees of reporting responsibilities based upon the size of the business and the type of health plan offered (or lack thereof).

Information will be reported on a per-employee basis, similar to the W-2 reporting system – therefore, forms will need to be provided to each employee, and transmittal forms that aggregate information for all employees will need to be provided to the IRS.

The IRS is still in the process of finalizing the forms and instructions associated with the new reporting requirements, with an expected release date of late 2014. As of the date this was written, the forms (Forms 1095-B and 1095-C) are still in draft.

Most payroll systems (and certainly payroll service providers) are already equipped to collect the required information. However, businesses that manage their own payroll may need to create or modify their payroll reports in order to extract the information in the format required by the IRS.

In anticipation of the new reporting requirements, businesses must understand the types of information required to be reported, to ensure that they have the appropriate systems in place to gather this information as of December 31, 2014.

McGladrey LLP, of which TKW is an alliance member firm, has published two articles that help to explain the intricacies of the new reporting requirements. They include some suggestions to ensure you are prepared to gather the necessary data starting January 1, 2015:

- New information reporting requirements under the Affordable Care Act
- Transforming your payroll processes for Affordable Care Act compliance

If you have questions about the new reporting requirements, or need assistance getting your systems configured to capture the required information, please call us at (503) 274-2849, or send an email to info@tkw.com.