



***Benefits Administration Letter***

**Number:** 16- 203

**Date:** January 20, 2016

**Subject: Employee Information on Health Coverage;  
Affordable Care Act Information Returns (AIR) Assurance Testing**

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**Background**

Employers, including the Federal government, are subject to the Employer Shared Responsibility (ESR) provisions under sections 6056 and 4980H of the Internal Revenue Code (IRC). For purposes of ESR provisions, the agency is the employer and is required to report.<sup>1</sup> Under IRC section 4980H, employers with 50 or more full-time employees, including full-time equivalent employees, on average during the prior calendar year, are subject to the employer shared responsibility provisions. IRC section 6056 requires agencies to file information returns with the Internal Revenue Service (IRS) and furnish statements to each employee who was a full-time employee for one or more months of the calendar year about the health coverage the agency offered, or to show that the agency did not offer coverage, to the full-time employee and the full-time employee's spouse and dependents.

Beginning in 2016 (for health coverage in 2015), agencies are required to file IRS Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, and IRS Forms 1095-C, Employer-Provided Health Insurance Offer and Coverage, with the IRS. In addition, agencies are required to furnish a copy (the employee statement) of the IRS Form 1095-C to each full-time employee. For more information on the employer shared responsibility provisions, see the [IRS website](#). For more information on the IRC section 6056 reporting requirements, see the [IRS website](#).

**Purpose**

This BAL provides agencies information to assist with their responsibility under IRC section 6056 to file IRS Form 1094-C and Forms 1095-C with the IRS and furnish a copy of the IRS Form 1095-C to each full-time employee. For purposes of IRC section 6056, all employees with 30 or more hours of service per week or 130 hours of service per month, are considered full-time employees.

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<sup>1</sup> See [BAL 14-207](#) for more information on the structure of Executive agency reporting. There may be some agencies outside of the Executive Branch that are not required to report due to the number of their employees. Please see [IRS guidance](#) for further information.

If an agency is required to file 250 or more information returns, the agency must file electronically with the IRS. The 250-or-more requirement applies separately to each type of form, and the IRS encourages agencies to file electronically even if they are filing fewer than 250 returns. Agencies or their designated Shared Service Centers (SSCs) that will be transmitting returns electronically to the IRS must also perform Affordable Care Act Information Returns (AIR) Assurance Testing to prepare for submission of their reporting data to the IRS.

This BAL also provides a FastFacts sheet containing information from the IRS that agencies may provide to employees regarding health coverage as it relates to the IRS forms. Please make the attached FastFacts available to your employees.

### **Filing IRS Forms 1094-C and 1095-C with the IRS**

To comply with IRC section 6056, the agency must file the IRS Form 1094-C, which reports summary information about the employer and Form 1095-C, which reports information about the offer of coverage to each full-time employee or to show that the agency did not offer coverage. Generally, IRS Forms 1094-C and 1095-C must be filed with the IRS by February 28 if filling on paper, or March 31 if filing electronically, of the year following the calendar year to which the return relates.

**For calendar year 2015, IRS Notice 2016-4 extends the due date for agencies to file Forms 1094-C and 1095-C with the IRS to May 31, 2016, if not filing electronically and to June 30, 2016 if filing electronically.** See [Instructions for IRS Forms 1094-C and 1095-C](#) for additional information.

### **Furnishing Forms 1095-C to Full-Employees**

To comply with IRC 6056, agencies must furnish Forms 1095-C to full-time employees on or before January 31 of the year following the calendar year to which the Form 1095-C relates. This means the Form 1095-C for 2015 must be furnished on or before February 1, 2016 (January 31, 2016 being a Sunday). **For calendar year 2015, IRS Notice 2016-4 extends the deadline for agencies to furnish IRS Forms 1095-C to full-time employees to March 31, 2016.** IRS Forms 1095-C must be furnished on paper by mail (or hand delivered), or in an electronic format in lieu of paper if the employee affirmatively consents to receive the statement in an electronic format. If mailed, the statement must be sent to the full-time employee's last known permanent address, or if no permanent address is known, to the full-time employee's temporary address. Agencies are encouraged to communicate with their employees about the information that they will receive. For more information on furnishing IRS Forms 1095-C to full-time employees, see the Form 1095-C Instructions.

### **Form Corrections**

Agencies should provide a contact telephone number in Box 10 on the Form 1095-C that can answer questions from employees about the information on the IRS Form 1095-C, or about lost or incorrect forms. For more information about form corrections, see the [Form 1094-C and 1095-C Instructions](#).

### **Affordable Care Act Information Returns (AIR) Assurance Testing**

Agencies and their SSCs that will be filing returns electronically must perform testing of their systems to ensure their systems are ready to submit information returns in early 2016 to the IRS. Testing for the 2015 calendar year opened on November 2, 2015. For more information on the AIR System, see the [IRS website](#).

If you have any questions regarding this Benefits Administration Letter, please contact Julia Elam at 202.606.1560 or email [ESR@opm.gov](mailto:ESR@opm.gov).

Sincerely,

John O'Brien  
Director

Attachments