

Form 1094c/1095c Review Checklist

All clients must preview and approve 1094c/1095c forms no later than 1/31/2016. These forms have been populated using data entered in iSolved throughout the ACA configuration and setup process. While the vast majority of data should be accurately populated on the forms, we do recommend a series of review steps to help you accomplish the following objectives:

1. Gain familiarity with 1094c and 1095c forms, including the information presented on the forms
2. Verify all full-time employees have a 1095c form
3. Obtain an understanding of the codes required on lines 14 and 16 of the forms
4. Review special cases occurring throughout the year and verify information is populated accurately on the 1095c forms when these events occur. Most 'special' cases are changes to Employment Statuses or Employment Categories which occur mid-year.

Review Steps

1. Review 1094c form for accuracy of company-level data
2. Review 1095c forms and verify all full-time employees have forms
3. Review 1095c codes and possible red flags

Instructions for each review step are included in the following pages

IMPORTANT! After your review is completed, you will need to select the 'Approve Forms' box on the ACA Forms Approval screen in iSolved. The ACA Forms Approval screen can be found under the following menu:

Client Management > ACA Setup Options

You are required to Approve Forms no later than 1/31/2016.

If you need an extension please email: benefits@dominionpayroll.com

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Step 1: Review 1094c form for accuracy of company-level data

1. Navigate to the following menu in iSolved:
Client Management > ACA Setup Options > ACA Forms Approval
2. Select 'Preview Forms'
3. Forms will appear in a new browser tab/window
4. Download your forms to pdf or Print
5. Begin with review of the 1094c form, which is the first 3 pages
 - a. Part I
 - i. Verify employer information is accurate / lines 1-8 should be populated
 - ii. Line 18 shows total number of forms (this is the total number of employees who were full-time at any point during the year)
 - iii. Line 19 should have an 'X' in the box
 - b. Part II
 - i. Line 20 form count should match line 18 form count
 - ii. Line 21 – if your company is a member of an aggregated group of companies, this 'Yes' box should have an 'X'
 - iii. Line 22 – Verify all appropriate Certifications of Eligibility have been selected (refer to next page in this document for explanations of Certifications of Eligibility)
 - c. Part III
 - i. Line 23 – (a) Minimum Essential Coverage Indicator should be marked 'Yes' for all 12 months
 - ii. Column (b) Full-Time Employee Count for ALE Member is populated based on information from iSolved (Note: column will be blank if Certification of Eligibility 'D' was selected on Line 22.
 - iii. Column (C) Total Employee Count for ALE Member is populated based on information from iSolved
 - iv. Column (D) Aggregated Group Indicator should be checked if your company is part of an Aggregated Group of companies
 - v. Column (E) Section 4980H Transition Relief Indicator should contain one of the following values:
 1. A – Company had 50-99 Full-time Equivalent employees in 2014 (based on Full-Time Lookback reporting)
 2. B – Company had 100 or more Full-time Equivalent employees in 2014 (based on Full-Time Lookback reporting)
 - vi. Part IV – if your company is a member of an Aggregated Group, additional group members should be listed here.

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Certifications of Eligibility – Line 22 of 1094c form

Employer may choose up to four Certifications of Eligibility on the 1094c form. Explanations are below.

Qualifying Offers are offers to employees which meet the following criteria:

- Minimum essential coverage
- Minimum value coverage
- Employee only cost of coverage is less than \$93.18 per employee per month
- Coverage is offered to entire family

If your offers of coverage are not less than \$93.18 per employee per month for Employee Only coverage, options A and B will not apply.

Option C is selected for all employers in 2015.

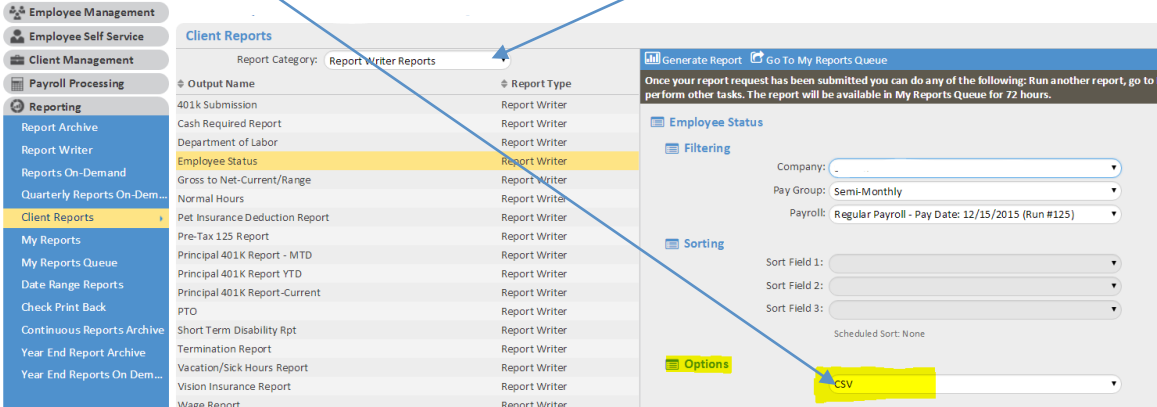
Option D may apply if you offer affordable coverage to 98% or more of your full-time employees in 2015.

<input type="checkbox"/>	(A) Qualifying Offer Method	<ul style="list-style-type: none"> • To check this box the ER must have made a qualifying offer (Code 1A on 1095-C Line 14) to one or more of its full-time employees for all months during the year in which the employee was a full-time employee • A “Qualifying Offer” is an offer of bronze level or higher plan where the cost to the employee for employee only coverage is less than \$1,118.15 per year or \$93.18 per month in 2015 (9.5% of the Federal Poverty Level) and; • The plan must be offered to all members of the employee’s family
<input type="checkbox"/>	(B) Qualifying Offer Transition Relief	<ul style="list-style-type: none"> • Made a “Qualifying Offer” for one or more months of the calendar year 2015 to at least 95% of its full-time employees (employees in a limited non-assessment period are not included in this calculation) • The plan must be offered to all members of the employee’s family
<input type="checkbox"/>	(C) Section 4980H Transition Relief	<ul style="list-style-type: none"> • Employer has between 50 and 99 Full-Time Equivalent Employees; or • Employer has 100 or more Full-Time Equivalent Employees (ER will get an 80-employee discount instead of a 30-employee discount during 2015 when the IRS calculates the employer’s penalties)
<input type="checkbox"/>	(D) 98% Offer Method	<ul style="list-style-type: none"> • ER must offer a Qualifying Health Plan to 98% of its full-time employees and their dependents and; • The full-time employee’s offer of self-only coverage is affordable according to the ACA (no more than 9.5% of the employee-only income). • If this ER checks this box it does not have to complete the “Full-Time Employee Count” in Part III, column (b), of the 1094-C.



Step 2: Review 1095c forms and verify all full-time employees have forms

- Go to Client Reports, select Report Category of 'Report Writer Reports'.
- Select the 'Employee Status' report. (see Appendix 1 on How to Build a Status Report)
- Choose 'CSV' for Options



- Select 'Generate Report', then 'Go to My Reports Queue' to view report. Select 'View Report'.
- Report will output to CSV, open the file
- Apply a filter to the worksheet
 - Filter where column 'Emp Category ACA Status' = ACA Full Time
 - Note the total number of records (bottom left after applying filter, in this example the number is 108)
- All of these employees should have a 1095c form

A	B	C	D	E	F	G	H	I
Employee Number	Employee Name	Status	Emp Category ACA Status	Emp Category Effective Date	Hire Date	Inactive Date	Termination Date	YTD Gross Wages
1	Test 123	A	ACA Full Time	1/9/2012	1/9/2012			196,195.96
2	Test 234	A	ACA Full Time	2/27/2014	2/27/2014			66,645.29
3	Test 345	A	ACA Full Time	7/1/2012	7/1/2012			649,303.45
4	Test 456	A	ACA Full Time	8/6/2012	8/6/2012			470,098.05
5	Test 567	A	ACA Full Time	1/7/2013	1/7/2013			65,971.57
6	Test 789	T	ACA Full Time	10/1/2013	10/1/2013		4/2/2015	278,143.50
7	Test 890	A	ACA Full Time	10/16/2013	10/16/2013			266,522.69
8	Test 991	A	ACA Full Time	11/4/2013	11/4/2013			129,424.45
9	Test 1092	A	ACA Full Time	12/2/2013	12/2/2013			240,258.33
10	Test 1193	A	ACA Full Time	12/2/2013	12/2/2013			99,747.02
11	Test 1294	A	ACA Full Time	1/6/2014	1/6/2014			136,593.17
12	Test 1395	A	ACA Full Time	1/15/2014	1/15/2014			311,651.24
13	Test 1496	A	ACA Full Time	1/20/2014	1/20/2014			137,988.10
14	Test 1597	A	ACA Full Time	1/20/2014	1/20/2014			126,968.11
15	Test 1698	A	ACA Full Time	2/3/2014	2/3/2014			428,875.06
16	Test 1799	T	ACA Full Time	2/18/2014	2/18/2014		1/28/2015	41,282.06
17	Test 1900	A	ACA Full Time	3/3/2014	3/3/2014			182,300.06
18	Test 2001	A	ACA Full Time	3/12/2014	3/10/2014			109,104.17
19	Test 2102	A	ACA Full Time	3/24/2014	3/24/2014			197,603.42
20	Test 2203	A	ACA Full Time	3/24/2014	3/24/2014			184,420.90
21	Test 2304	A	ACA Full Time	3/31/2014	3/31/2014			151,613.25
22	Test 2405	A	ACA Full Time	3/31/2014	3/31/2014			253,386.74
23	Test 2506	A	ACA Full Time	4/9/2014	4/9/2014			56,789.05
24	Test 2607	A	ACA Full Time	4/21/2014	4/21/2014			171,236.24



Compare the total count from above to Line 18 of the 1094c form (the form you previewed in Step 1 of this review)

If the total number above (in the above example, 108) does not match the total number of 1095c forms per line 18 of the 1094c form, you will need to review for the following items:

- Employment Status changes during the year.
- New Hires who are Full-time but have not been paid yet.

We recommend you reconcile the employees with 1095c forms to this report. Any employee who has a 1095c form but is not listed on this report should be reviewed further. This would indicate the employee went through a Status Change (Full-time to Part-time) during the year or was hired recently. Status changes should be reviewed to verify the offers of coverage are accurately reflected based on the status changes which occurred.

9 Name of Designated Government Entity (only if applicable)		10 Employer identification number (EIN)	
11 Street address (including room or suite no.)			
12 City or town	13 State or province	14 Country and ZIP or foreign postal code US	
15 Name of person to contact		16 Contact telephone number	
17 Reserved			<input type="checkbox"/>
18 Total number of Forms 1095-C submitted with this transmittal			117
19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions			
<input checked="" type="checkbox"/>			
Part II		ALE Member Information	
20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member			117
21 Is ALE Member a member of an Aggregated ALE Group? If "No," do not complete Part IV.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
22 Certifications of Eligibility (select all that apply):			
<input type="checkbox"/> A. Qualifying Offer Method	<input type="checkbox"/> B. Qualifying Offer Method Transition Relief	<input checked="" type="checkbox"/> C. Section 4980H Transition Relief	<input checked="" type="checkbox"/> D. 98% Offer Method

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Step 3: Review 1095c codes and possible red flags

1. Review Line 14 for the corresponding code listed below (1A to 1I)
 - a. Appropriate values for Lines 15 and 16 are listed below the code. Verify appropriate values exist in Line 15 and 16.
2. If you encounter any 'Red Flags', send to our team for review (benefits@dominionpayroll.com)
 - a. Indicate employee name and description of 'Red Flag'

If Line 14 code 1A - Qualifying Offer (Employee (EE) Cost is less than \$93.18)

THEN Line 15: Blank

THEN Line 16:

- 2C - Enrolled in Coverage
- Blank - Waived Coverage
- **Any Other Code - Red Flag**

If Line 14 code 1B, 1C, or 1D (Red Flag)

If Line 14 code 1E - Coverage Offered (EE Cost is more than \$93.18)

THEN Line 15: Populated with Lowest Cost Option to EE

THEN Line 16:

- 2C - Enrolled in Coverage
- 2F, 2G, 2H - Affordability Safe Harbor: W2 Wages, Poverty Line, Rate of Pay respectively
- Blank - Waived Coverage
- **Any Other Code - Red Flag**

If Line 14 code 1F (Red Flag)

If Line 14 code 1G (Red Flag)

If Line 14 code 1H - No Offer of Coverage

THEN Line 15: Blank

THEN Line 16:

- 2A - Not Employed
- 2B - Not Full Time or Month of Termination
- 2D - Limited Non-Assessment Period (Measurement Period or Waiting Period)
- **Blank Or Any Other Code - Red Flag**

If Line 14 code 1I - No Offer of Coverage, Qualifying Offer Transition Relief

THEN Line 15: Blank

THEN Line 16: Blank

If Line 14 code 1H for all 12 months. – Red Flag

(Okay in some cases, but this indicates full-time employee was not offered coverage.)

If Line 16 code 2D for more than 3 consecutive months – Red Flag

(Okay if employee in Measurement Period, however, we recommend further review to verify accuracy of codes if you encounter 2D for more than 3 consecutive months.)

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Explanation of Codes (Line 14 and Line 16 form 1095c)

Codes: Part II Line 14 - Offer of Coverage

- ★ 1A. **Qualified Offer:** Minimum Essential Coverage providing Minimum Value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line and Minimum Essential Coverage offered to spouse and dependent(s).
- 1B. Minimum essential Coverage providing Minimum Value offered to **employee only**.
- 1C. Minimum essential Coverage providing Minimum Value offered to employee and at least Minimum essential Coverage offered to **dependent(s) (not spouse)**.
- 1D. Minimum essential Coverage providing Minimum Value offered to employee and at least Minimum essential Coverage offered to **spouse (not dependent(s))**.
- ★ 1E. Minimum essential Coverage providing Minimum Value offered to employee and at least Minimum essential Coverage offered to **dependent(s) and spouse**.
- 1F. Minimum essential Coverage **not providing Minimum Value** offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents.
- 1G. Offer of coverage to employee who was not a full-time employee for any month of the calendar year and who enrolled in **self-insured coverage** for one or more months of the calendar year.
- ★ 1H. **No offer of coverage** (employee not offered any health coverage or employee offered coverage not providing Minimum Essential Coverage).
- 1I. **Qualified Offer Transition Relief 2015:** Employee (and spouse or dependents) received no offer of coverage, or received an offer of coverage that is not a Qualified Offer, or received a Qualified Offer for less than all 12 Months.

Code 1i okay if employer in 50-99 range (for 2015 only)

★ Most commonly used codes for line 14

Codes: Part II Line 16 – Safe Harbor

- 2A. Employee not employed during the month.
- 2B. Employee not a full-time employee.
- 2C. Employee enrolled in coverage offered.
- 2D. Employee in a section 4980H(b) limited non-assessment period.
- 2E. Multiemployer interim rule relief.
- 2F. Section 4980H affordability Form W-2 safe harbor.
- 2G. Section 4980H affordability Federal Poverty Level safe harbor.
- 2H. Section 4980H affordability monthly Rate of Pay safe harbor.



Appendix 1

How to review Full-time employees

Build Report Writer report

Report Type = Payroll Summary Report; Name report title: "Employee Status"

'Include Header' box should be checked

The screenshot shows the 'Report Setup' window with the following settings:

- Report Type: Payroll Employee Summary Rep
- Report Title: Employee Status
- Font Size: 8pt
- Font Face: Arial
- Report Orientation: Landscape
- Report Group: (empty)
- Totals Only Summary Report:
- CSV Options:
 - Delimiter: (empty)
 - Quote Character: (empty)
 - Quote All Fields:
 - Include Header:

Add the columns listed in right hand section of screen shot below

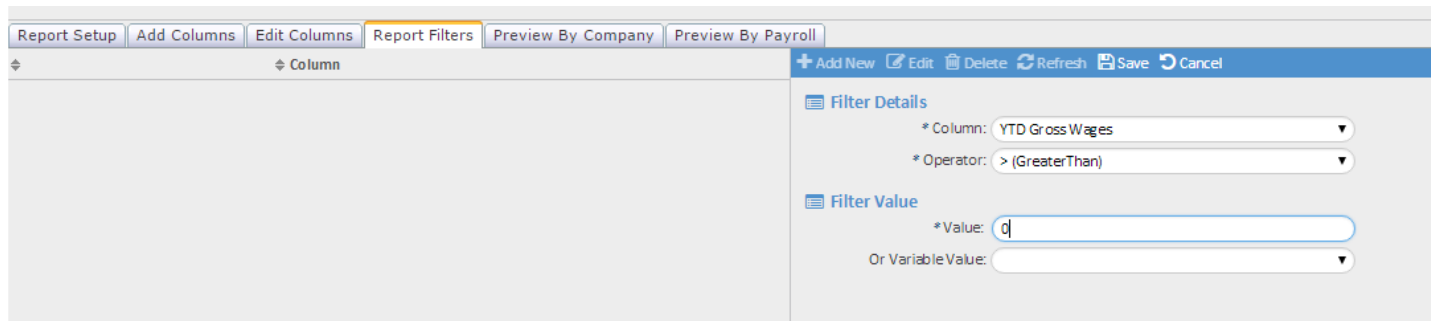
The screenshot shows the 'Add Columns' window with the following columns listed in the 'Added Columns' section:

Category	Column
Employee Data	Employee Number
Employee Data	Employee Name
Employee Data	Status
Employee Data	Emp Category ACA Status
Employee Data	Emp Category Effective Date
Employee Data	Variable Hours met for ACA Full Time Status
Employee Data	Hire Date
Employee Data	Inactive Date
Employee Data	Termination Date
Check Accumulations	YTD Gross Wages

Add Report Filter where YTD Gross Wages is greater than '0'

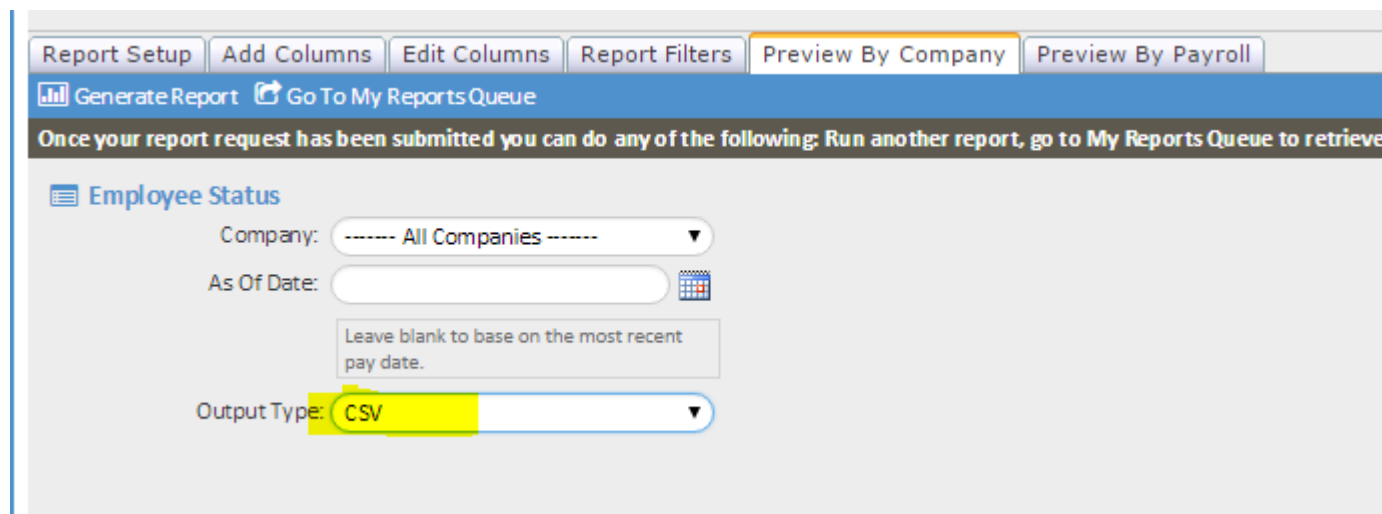


Appendix 1



Preview by Company > CSV output type

Select 'Generate Report', then select 'Go to My Reports Queue'



Report will output to CSV, open the file

Apply a filter to the worksheet

Filter where column 'Emp Category ACA Status' = ACA Full Time

Note the total number of records (bottom left after applying filter, in this example the number is 108)

All of these employees should have a 1095c form



Appendix 1

	A	B	C	D	E	F	G	H	I
	Employee Number	Employee Name	Status	Emp Category ACA Status	Emp Category Effective Date	Hire Date	Inactive Date	Termination Date	YTD Gross Wages
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22	31	Test 2405	A	ACA Full Time	3/31/2014	3/31/2014			253,386.74
23	32	Test 2506	A	ACA Full Time	4/9/2014	4/9/2014			56,789.05
24	33	Test 2607	A	ACA Full Time	4/21/2014	4/21/2014			171,236.24
25	34	Test 2708	A	ACA Full Time	4/28/2014	4/28/2014			157,500.00

If the total number above does not match the total number of 1095c forms per line 18 of the 1094c form, you will need to review for the following items:

- Employment Status changes during the year.
- New Hires who are Full-time but have not been paid yet.

We recommend you reconcile the employees with 1095c forms to this report. Any employee who has a 1095c form but is not listed on this report should be reviewed further. This would indicate the employee went through a Status Change (Full-time to Part-time) during the year or was hired recently. Status changes should be reviewed to verify the offers of coverage are accurately reflected based on the status changes which occurred.



Frequently Asked Questions

Do I need to attach Forms 1095-A, 1095-B, or 1095-C to my federal tax return?

No, do not submit these with your tax return. However, you may need to refer to them in order to complete your tax return.

Should I wait for the form to prepare my income tax return?

In most cases, you do not need to wait for the Form 1095-C in order to file your U.S. Individual Income Tax Return (IRS Form 1040, 1040A, or 1040EZ). Most employees will know whether they had health coverage for a month and can simply check a box on their tax return to attest that they, their spouse (if filing jointly), and any eligible dependents had “minimum essential coverage” throughout the year.

If I worked full time for more than one employer this year, should I get a Form 1095-C from each of them?

Not necessarily. Only large employers are required to furnish Forms 1095-C. Call the employer if you are unsure about their status.

How and when will I receive these forms to distribute to my employees?

You will receive these forms by courier or UPS Ground service (however your normal DPS payroll is delivered). Forms will be sent out within 2 weeks after you approve forms online.

For Further information please refer to:

<https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Gathering-Your-Health-Coverage-Documentation-for-the-Tax-Filing-Season>

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