

EXPERT UPDATE



EXPECT AN EXPERT

Correcting Mistakes on Forms 1094-C and 1095-C

By Shari Herrle, Director of Compliance

Applicable large employers (ALEs) that submitted Forms 1094-C and 1095-C should correct any errors as soon as possible to avoid possible penalties.

All ALEs are required to use these forms to report information about group health coverage, regardless of whether they “play or pay” in accordance with the Affordable Care Act’s Employer Shared Responsibility provisions.

This update will help you determine what is considered an error and how to correct it.

Addressing errors within the 1095-C

The deadline for distributing the 1095-C employee statement was March 31, 2016.

A new form must be issued to the employee and the IRS if an employer discovers or is notified by the employee of the following errors:

- Employees’ or enrollees’ names and Social Security numbers
- ALE’s name and/or EIN
- Specifications regarding the offer of coverage (line 14)
- Premium amount of the least expensive option for self-only (line 15)
- Safe harbor or other relief codes (line 16)
- Covered individuals information (Part III completed by self-insured employer)

Please note that the information contained in this document is designed to provide authoritative and accurate information, in regard to the subject matter covered. However, it is not provided as legal or tax advice and no representation is made as to the sufficiency for your specific company’s needs. This document should be reviewed by your legal counsel or tax consultant before use.

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Fixing the 1094-C Authoritative Transmittal

The Authoritative Transmittal is identified on Part I, line 19 and must be filed for each employer reporting aggregate employer-level data for all full-time employees of the employer. According to the [IRS instructions](#), employers that find errors in a transmittal that is not the Authoritative Transmittal are not required to correct the form.

Employers should submit a revised 1094-C (Authoritative Transmittal) if the form includes the following errors:

- Name and/or EIN of the ALE
- Total number of Forms 1095-C filed by or for the ALE
- Aggregated ALE group information
- Certifications of eligibility
- Minimum essential coverage Indicator
- Section 4098H Transition Relief Indicator
- Full-time employee count
- Aggregated group indicator

Submitting revised paper forms to the IRS

Correcting information on 1095-C employee statement

Employers should:

- File a fully completed Form 1095-C with correct information
- Enter an "X" in the CORRECTED checkbox
- File a Form 1094-C Transmittal (DO NOT mark the CORRECTED checkbox on Form 1094-C) with corrected Form(s) 1095-C

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- Provide employee with copy of the corrected Form 1095-C

Correcting information on the 1094-C Authoritative Transmittal

Employers should:

- File a fully completed Form 1094-C with correct information
- Enter an “X” in the CORRECTED checkbox
- Do not file a return correcting information on a Form 1094-C that is not the Authoritative Transmittal
- Do not file any other documents (e.g. Form 1095-C) with the corrected Authoritative Transmittal

Revising electronic forms

As summarized above, employers should correct errors on Forms 1094-C and 1095-C, enter “X” in the CORRECTED checkbox and refile the form with the IRS.

The vendor you used to file electronically should be able to provide direction for this process. Furnish corrected Forms 1095-C to affected individuals as soon as practicable.

Penalties

The IRS penalty for failing to provide a correct employee statement is \$100 for each incorrect statement. The total penalty for a calendar year is not to exceed \$1,500,000.

Additional penalties could apply if there is intentional disregard of the requirement to furnish an employee statement. More information is available on the [IRS website](#).

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