Reporting Requirements for Employer Shared Responsibility

In accordance with the Affordable Care Act (ACA) "Pay or Play" provisions, fully insured Applicable Large Employers (ALEs, generally those with at least 50 full-time employees) must report the type of health coverage offered to full-time employees and their dependents. Information must be furnished as follows, although the deadlines are subject to change by the IRS.

- Statements to employees consist of Form 1095-C, Parts 1 and 2, no later than **March 2, 2027.**
- Statements to the IRS consist of Form 1094-C (transmittal) and 1095-C, Parts 1 and 2, no later than **February 28, 2027** by mail or **March 31, 2027** electronically.



How to Determine Applicable Large Employer (ALE) Status

1. **Count full-time employees**
   - Defined as working at least 30 hours per week (or at least 130 hours of service per month) during the applicable months in the preceding calendar year (during 2025 to determine ALE status for 2026).
2. **Count full-time equivalents (FTEs)**
   - Defined as non-full-time employees working less than 30 hours per week (or 130 hours per month) during the applicable months in the preceding calendar year.
   - Divide total hours by 120. Exclude any hours over 120 for each employee.
   - Result is the number of FTEs.
3. **Add full-time employees and FTEs**
   - Add the total count of full-time employees and FTEs for all twelve months of the preceding calendar year.
   - Round to the nearest hundredth (two digits to the right of the decimal point).
4. **Determine Your Monthly Average**
   - Divide the total of full-time employees and FTEs by 12.
   - Round total down to the nearest whole number, and the result is your monthly average.
   - If the result is 1 to 49, Employer is **not** an ALE.
   - If the result is 50 or greater, **Employer is an ALE**. ALEs are subject to Pay or Play requirements and are required to offer insurance coverage to employees and their dependents (up to age 26) who are eligible.

HMAA is pleased to support our ALE clients, upon request and at no cost, by providing compiled employee demographic and coverage data to assist with completion of the required IRS 1095-C forms. The data will include personally-identifying and coverage-by-month information for employees and their dependents.

Please note that some of the information is provided to HMAA by employers and employees, and therefore accuracy cannot be guaranteed by HMAA. To complete the IRS forms, the data from HMAA will need to be combined with other information HMAA does not retain.

HMAA will provide the data in a Microsoft Excel compatible file format beginning **December 15, 2026**. Other formats will not be available. To request 2026 data, contact your Account Manager or email us at AccountManager@hmaa.com. Please note you **must submit a new request** each year.

This information is based on HMAA's review and interpretation, is intended for educational purposes only, and does not represent tax, legal, or compliance advice. For additional information about Employer Shared Responsibility and reporting, visit the IRS website: https://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act.