

# Employer Shared Responsibility Penalty Assessments

How to Prepare and Respond

February 13, 2020

Kirsten Garcia, Haynes and Boone, LLP

*haynesboone*

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- What are the Employer Shared Responsibility Penalties?
  - How do the Form 1094-C and Form 1095-C relate to the Penalties?
  - What is an IRS Letter 226J?
  - How should an employer respond to a Letter 226J?
  - What are some errors that have caused an employer to receive a Letter 226J?
  - What is an IRS Notice 972CG?
  - How should an employer respond to IRS Notice 972CG?

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- 50 Full-Time Employees

- Penalties may apply if employer has at least 50 full-time employees (and equivalents) (“FTEs”) during prior year
- Full-time = at least 30 hours per week

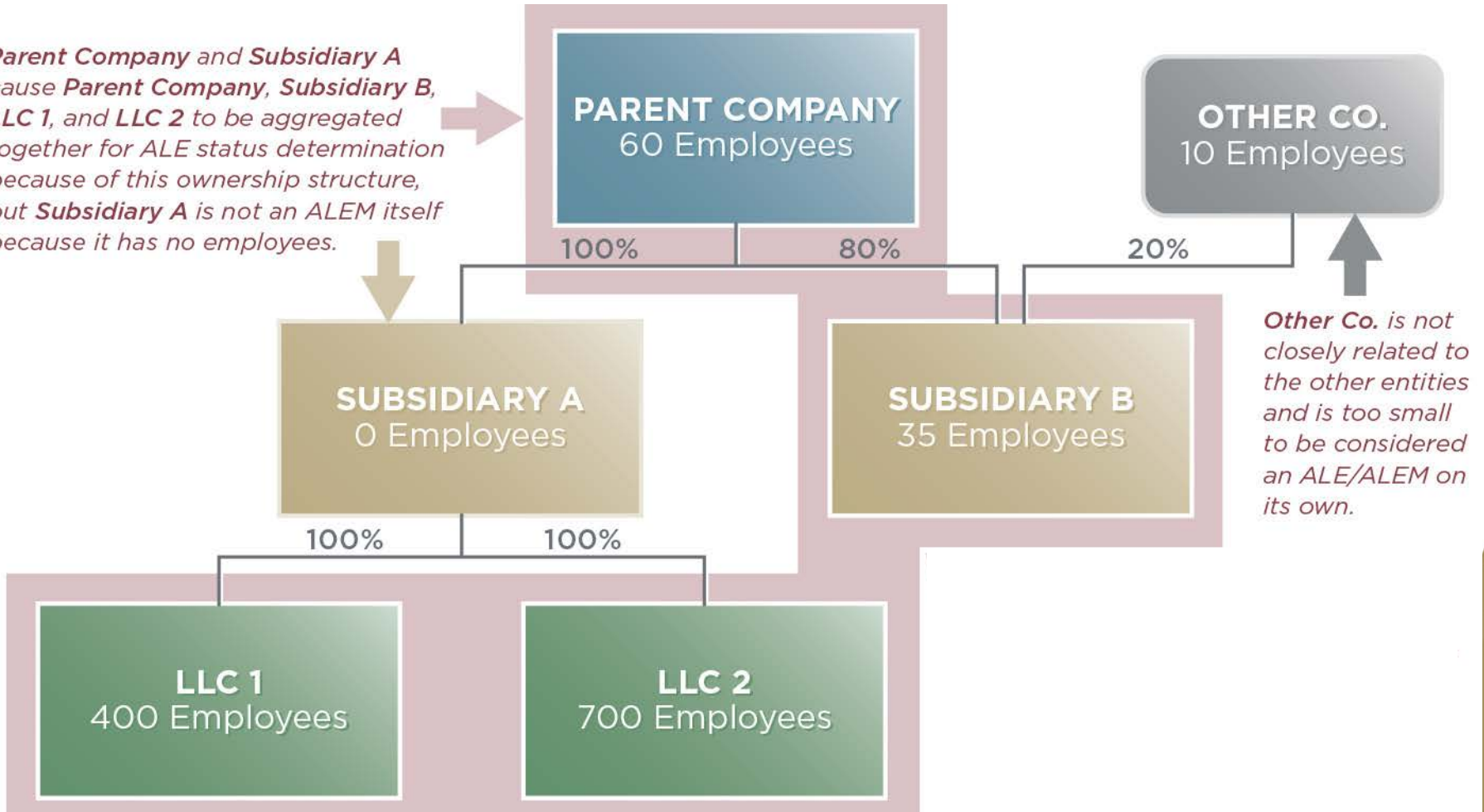
- Across the controlled group

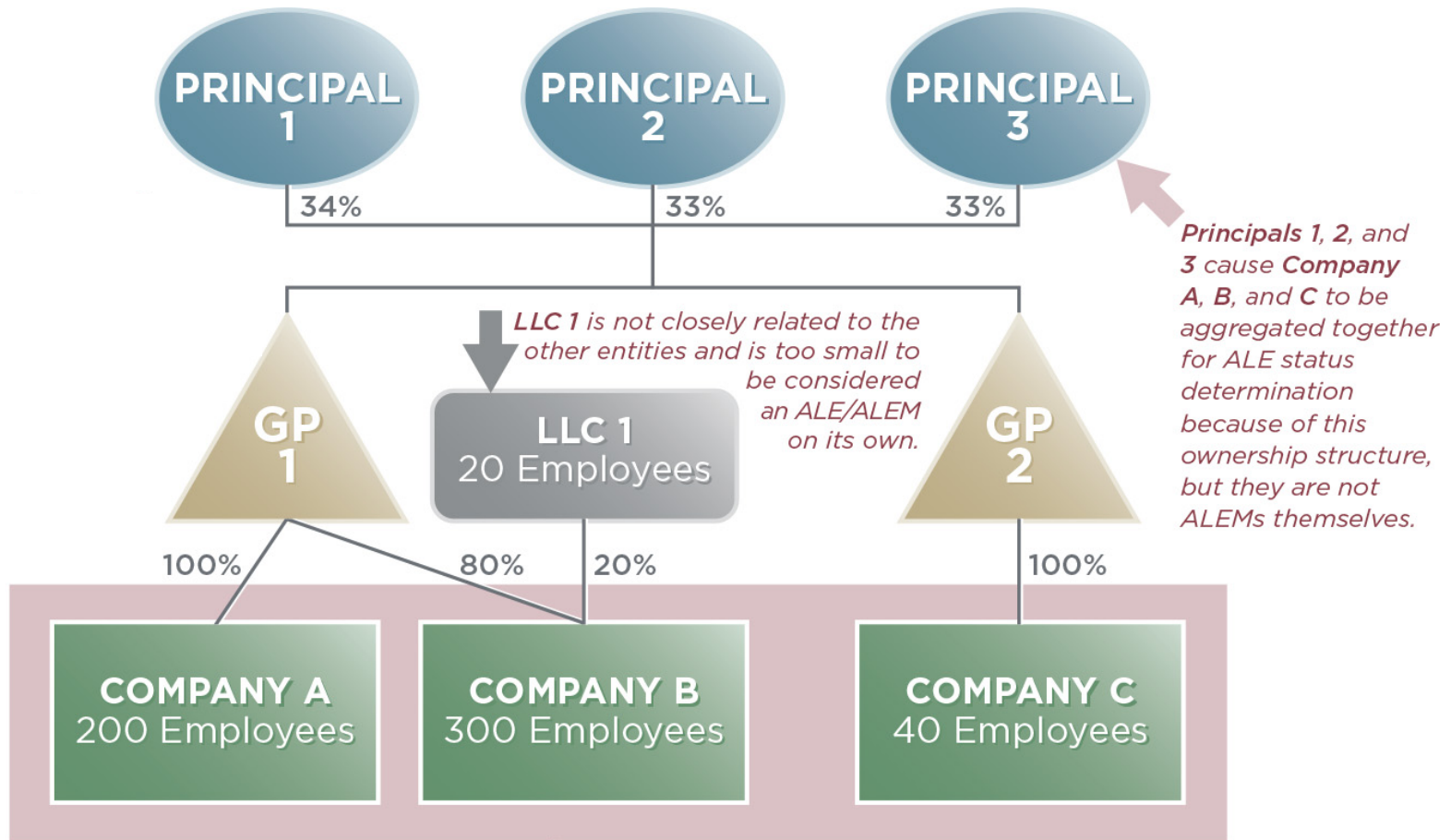
- Total employees across the controlled group (common ownership) to determine whether meet 50 FTE threshold

- Penalties apply by EIN

- If meet 50 FTE threshold across the controlled group, each EIN within the controlled group is liable for its own penalties

*Parent Company and Subsidiary A cause Parent Company, Subsidiary B, LLC 1, and LLC 2 to be aggregated together for ALE status determination because of this ownership structure, but Subsidiary A is not an ALEM itself because it has no employees.*





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- “Big Penalty”

- Fail to offer coverage to at least 95% of FTEs and their dependent children and at least one FTE enrolls in subsidized coverage on the health exchange
- Coverage does NOT have to be affordable or minimum value to avoid Big Penalty
- 2019: \$2,500 x (all FTEs – 30) (annual)
- 2020: \$2,570 x (all FTEs – 30) (annual)

- “Per FTE Penalty”

- Satisfy 95% requirement
- Penalty assessed for each FTE enrolled in subsidized exchange coverage who was not offered affordable, minimum value coverage
- 2019: \$3,750 (annual per FTE)
- 2020: \$3,860 (annual per FTE)

- Penalties are assessed for each month the failure occurs

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- Form 1094-C
    - Transmittal form accompanying all the Forms 1095-C filed with the IRS
    - Identifies employer, total number of employees and FTEs, controlled group members
    - One authoritative Form 1094-C per EIN
  - States whether the employer offered coverage to at least 95% of FTEs and their dependents
    - Part III, Column (a) – Minimum Essential Coverage Offer Indicator
    - **YES**
  - If state NO, then BIG PENALTY may apply for that month
    - Example: No for December 2019. 400 FTEs. One FTE had subsidized exchange coverage.
    - Big Penalty =  $[\$2,500 \times (400 \text{ FTEs} - 30)] \times 1/12 = \$77,083.33$

**Part III ALE Member Information – Monthly**

	(a) Minimum Essential Coverage Offer Indicator		(b) Section 4980H Full-Time Employee Count for ALE Member	(c) Total Employee Count for ALE Member	(d) Aggregated Group Indicator	(e) Reserved
	Yes	No				
23 All 12 Months	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
24 Jan	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
25 Feb	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
26 Mar	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
27 Apr	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
28 May	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
29 June	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
30 July	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
31 Aug	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
32 Sept	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
33 Oct	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
34 Nov	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
35 Dec	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

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- Form 1095-C
    - Provided to each FTE and filed with the IRS
    - Identifies employer and states whether minimum value, affordable coverage was offered, its cost, and which months employee and dependents were enrolled in self-funded coverage
  - Line 14 states whether minimum value coverage was offered
  - Line 16 states whether affordable coverage was offered and, if not, why the Per FTE Penalty should not apply. If Line 16 is blank, and FTE had subsidized exchange coverage, Per FTE Penalty will apply
    - 2A: Employee was not employed
    - 2B: Employee was not an FTE
    - 2C: Employee was enrolled
    - 2D: Employee was in a waiting period or initial measurement period
    - 2E: Multiemployer (union) employee
    - 2F, 2G, 2H: Affordable coverage was waived

Form **1095-C**  
Department of the Treasury  
Internal Revenue Service

### Employer-Provided Health Insurance Offer and Coverage

▶ Do not attach to your tax return. Keep for your records.  
▶ Go to [www.irs.gov/Form1095C](http://www.irs.gov/Form1095C) for instructions and the latest information.

VOID

CORRECTED

OMB No. 1545-2251


**2018**

Part I Employee						Applicable Large Employer Member (Employer)					
1 Name of employee (first name, middle initial, last name)			2 Social security number (SSN)			7 Name of employer			8 Employer identification number (EIN)		
3 Street address (including apartment no.)						9 Street address (including room or suite no.)			10 Contact telephone number		
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code	

Part II Employee Offer of Coverage	Plan Start Month (enter 2-digit number):												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													

Part III Covered Individuals															
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. <input type="checkbox"/>															
(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

- IRS Letter 226J – Notice of Proposed Employer Shared Responsibility Payment (ESRP)
- States that you owe the Big Penalty and/or Per FTE Penalty
- Response due date
  - 30 days
- Respond that you agree with payment, that you partially agree, or that you disagree



Department of the  
Treasury Internal Revenue  
Service

Date:  
02/13/2018  
Tax year:  
YYYY  
Employer ID number:  
#####  
Person to contact:  
Contact Name  
Employee ID number:  
#####  
Contact telephone number:  
(###) ###-####  
Contact e-fax number:  
(###) ###-####  
Response date:  
03/05/2018

Taxpayer Name  
Taxpayer Address  
City, ST Zip code

Dear Taxpayer:

We have made a preliminary calculation of the Employer Shared Responsibility Payment (ESRP) that you owe.

**Proposed ESRP \$0.00**

Our records show that you filed one or more Forms 1095-C, Employer-Provided Health Insurance Offer and Coverage, and one or more Forms 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, with the IRS. Our records also show that for one or more months of the year at least one of the full-time employees you identified on Form 1095-C was allowed the premium tax credit (PTC) on his or her individual income tax return filed with the IRS. Based on this information, we are proposing that you owe an ESRP for one or more months of the year.

You generally owe an ESRP for a month if either:

- You did not offer minimum essential coverage (MEC) to at least 100% of your full-time employees (and their dependents) and at least one of your full-time employees was certified as being allowed the PTC; or
- You offered MEC to at least 100% of your full-time employees (and their dependents), but at least one of your full-time employees was certified as being allowed the PTC (because the coverage was unaffordable or did not provide minimum value, or the full-time employee was not offered coverage).

This letter certifies, under Section 1411 of the Affordable Care Act, that for at least one month in the year, one or more of your full-time employees was enrolled in a qualified health plan for which a PTC was allowed. Based on this certification and information contained in our records, we are proposing that you owe an ESRP of \$0.00.

**What you must do**

Review this letter carefully. It explains the proposed ESRP and what you should do if you agree or disagree with this proposal. You must tell us whether you agree or disagree with the proposed ESRP by the Response date on the first page of this letter.

The following items are included:

- An explanation of the employer shared responsibility provisions in Internal Revenue Code (IRC) Section 4980H, which are the basis for the ESRP. See **About the ESRP**;
- An **ESRP Summary Table** itemizing your proposed ESRP by month;

**Letter 226-J (Rev. 1-2018)**  
Catalog Number 67905G

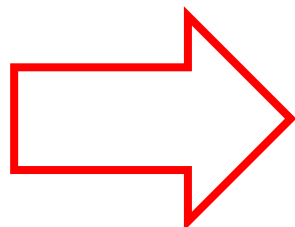
**ESRP Summary Table**

**Information Reported to IRS**

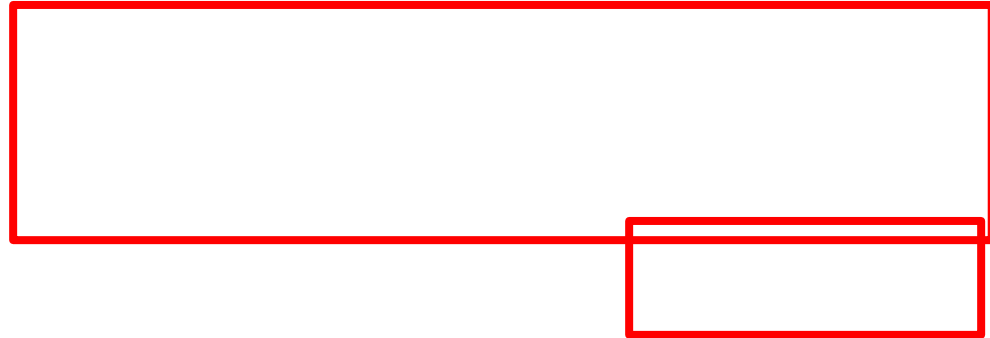
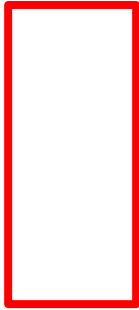
<b>Month</b>	<b>a. Form 1094-C, Part III, Col (a) Minimum essential coverage offer indicator offered to at least [70% or 95%]</b>	<b>b. Form 1094-C, Part III, Col (b) Full-time employee count for ALE member</b>	<b>c. Allocated reduction of full-time employee count for IRC Section 4980H(a)</b>	<b>d. Count of assessable full-time employees with a PTC for IRC Section 4980H(a)</b>	<b>e. Count of assessable full-time employees with a PTC for IRC Section 4980H(b)</b>	<b>f. Applicable IRC Section 4980H provision</b>	<b>g. Monthly ESRP amount</b>
January	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
February	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
March	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
April	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
May	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
June	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
July	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
August	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
September	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
October	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
November	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
December	[Yes / No]	[xxxxx]	[xxxxx]	[xxxxx]	[xxxxx]	[4980H(a) / 4980H(b)]	\$0
<b>Total Proposed ESRP</b>							<b>\$0</b>

**ESRP Summary Table**

Month	Information Reported to IRS			d. Count of assessable full- time employees with a PTC for IRC Section 4980H(a)	e. Count of assessable full- time employees with a PTC for IRC Section 4980H(b)	f. Applicable IRC Section 4980H provision	g. Monthly ESRP amount
	a. Form 1094-C, Part III, Col (a)  Minimum essential coverage offer indicator offered to at least 95%	b. Form 1094-C, Part III, Col (b)  Full-time employee count for ALE member	c. Allocated reduction of full- time employee count for IRC Section 4980H(a)				
January	No	126	30	1	-	4980H(a)	\$ 17,280.00
February	No	128	30	1	-	4980H(a)	\$ 17,640.00
March	No	129	30	1	-	4980H(a)	\$ 17,820.00
April	No	132	30	1	-	4980H(a)	\$ 18,360.00
May	Yes	128	30	-	1	4980H(b)	\$ 270.00
June	Yes	127	30	-	1	4980H(b)	\$ 270.00
July	Yes	126	30	-	-		\$ -
August	Yes	131	30	-	-		\$ -
September	Yes	135	30	-	-		\$ -
October	Yes	138	30	-	-		\$ -
November	Yes	139	30	-	-		\$ -
December	Yes	139	30	-	-		\$ -
<b>Total Proposed ESRP</b>							<b>\$ 71,640.00</b>







- This example is missing Line 16 codes (the 2 codes)
- No months highlighted = employees received PTC in all months
- Code 1H means No Offer of Coverage
- Need a Line 16 code to show why a penalty should not be assessed
  - 2A: Employee not employed during the month
  - 2B: Employee not an FTE
  - 2D: Employee in a waiting period or other limited non-assessment period

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- If the ESRP Summary Table shows coverage was not offered to 95% of FTEs for any month:
    - Determine if coverage was actually offered to at least 95% of FTEs
    - If so, determine what caused the error on the Form 1094-C
      - Why was the Form 1094-C Part III, Column (a) – Minimum Essential Coverage Offer Indicator completed with a No for that month?
      - What is being done to ensure that such error will not occur again?
  - Determine if the 1095-C Line 14 and 16 codes on the Form 14765 are correct
    - If not, determine why the incorrect codes were used on the Forms 1095-C
      - What is being done to ensure that such error will not occur again?
  - If they are correct, either the Big Penalty (if applicable) or the Per FTE Penalty will be assessed

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- If the ESRP Summary Table and Form 14765 (Line 14 and 16 codes) are correct, then ESRP penalties will need to be paid
    - This is not usually the case – most employers have an ESRP compliance strategy
  - Return the Form 14764 and payment by the due date
  - Form 14764:
    - Complete the contact information
    - Check the box “I consent to the assessment and collection of the proposed assessment of the ESRP in the amount of \$x”
    - Sign and date the form in the middle of the first page
    - Indicate how payment is being made
    - The optional Authorization section at the bottom of the first page and second page should not be completed. Use Form 2848 instead

- Employers will agree or disagree with the proposed ESRP on Form 14764
- A separate signed supporting statement is used to explain why you actually disagree with the ESRP

Form <b>14764</b> (April 2017)	Department of the Treasury - Internal Revenue Service <b>ESRP Response</b>
Complete both sides of this form and return it to the address below so that we receive it by [ ]. An envelope has been enclosed for your convenience. To request more time to respond, call us at 1-[XXX-XXX-XXXX].	
Return form to: Department of the Treasury Internal Revenue Service Group 2219 7300 Turfway Road, Suite 410 Florence, KY 41042	
<b>Provide Your Contact Information</b>	
Name _____	
Address (if you changed your address, make the changes below) _____	
Primary telephone number _____	Best time to call _____
Secondary telephone number _____	Best time to call _____
<b>Indicate Your Agreement or Disagreement</b>	
<b>Agreement with proposed assessment</b>	
<input type="checkbox"/> I consent to the assessment and collection of the of the proposed assessment of the ESRP in the amount of [\$0.00]	
Signature _____	Date _____
Print name and title of the person who signed above _____	
<b>Partial/Total disagreement with proposed assessment</b>	
<input type="checkbox"/> I disagree with part or all of the proposed assessment of the ESRP	
<b>Indicate Your Payment Option (check all that apply)</b>	
<input type="checkbox"/> Full payment using EFTPS on _____	
<input type="checkbox"/> Partial payment using EFTPS on _____	
<input type="checkbox"/> Enclosed full payment of \$ _____	
<input type="checkbox"/> Enclosed partial payment of \$ _____	
<input type="checkbox"/> No payment	
• Write your employer ID number _____, the tax year _____ and ESRP on your payment and any correspondence.	
• Make your check or money order payable to the United States Treasury.	
Catalog Number 68861Z	www.irs.gov
Form <b>14764</b> (4-2017)	

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- If the ESRP Summary Table and/or Form 14765 (Line 14 and 16 codes) are incorrect, then additional written response is required
  - Respond by the due date
  - Form 14764
    - Complete the contact information
    - Sign the form in the middle of the first page
    - Check the box “I disagree with part or all of the proposed assessment of the ESRP”
    - Check “No payment”
    - The optional Authorization section at the bottom of the first page and second page should not be completed. Use Form 2848 instead
  - Form 14765 (if any Line 14 or 16 codes are incorrect)
    - Insert correct Line 14 and 16 codes under each incorrect code
  - Supporting statement
    - Must be signed
    - State how Form 1094-C and/or Form 1095-C need to be corrected, why the errors occurred, and why that will not occur again in the future

All 12 months Indicator Codes (Form 1095-C, lines 14 and 16 combined)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
First row - as filed	1E/	1E/	1E/	1E/	1E/	1E/	1E/	1E/	NOPTC	NOPTC	NOPTC	NOPTC
Second row - for corrections	1E/2F	1E/2F	1E/2F	1E/2F	1E/2F	1E/2F	1E/2F	1E/2F				

- This Form 14765 example is missing Line 16 codes
- Code 1E means Minimum Value coverage was offered
- Need a Line 16 code to state it was affordable
  - 2F: W-2 safe harbor
  - 2G: Federal Poverty Line safe harbor
  - 2H: Rate of Pay safe harbor

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- IRS should send a Letter 227 after they have reviewed your response
  - Letter 227-J
    - You agreed with ESRP. ESRP will be assessed. Case closed. No response required.
  - Letter 227-K
    - ESRP has been reduced to zero. Case closed. No response required.
  - Letter 227-L
    - ESRP has been revised. The letter may include an updated Form 14765 (PTC Listing) and revised calculation table. You can agree or request a meeting with the manager and/or appeals.
  - Letter 227-M
    - ESRP did not change. The letter may provide an updated Form 14765 (PTC Listing) and revised calculation table. You can agree or request a meeting with the manager and/or appeals.
  - Letter 227-N
    - Shows the ESRP based on the Appeals review. After issuance of this letter, the case will be closed. No response is required.

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- Proposed ESRP of \$164,000 for failure to offer coverage to at least 95% of FTEs in January 2016
  - A correct Form 1094-C showing coverage was offered to at least 95% of FTEs in January was timely submitted to the IRS and correct Forms 1095-C showing offers of coverage for January were originally produced and distributed to employees
  - Subsequently, bad data transferred from Payroll Vendor to ACA Form Vendor that triggered the production of 47 replacement Forms 1095-C that left January blank. The 47 incorrect Forms 1095-C caused the ACA Form Vendor to generate a new incorrect Form 1094-C that reported the 95% threshold had not been met for January 2016. That incorrect Form 1094-C was then submitted to the IRS in April
  - The Company's 2016 Form 1094-C should be revised by marking "Yes" in the "All 12 Months" row of Column (a) "Minimum Essential Coverage Indicator" and the proposed ESRP should not be assessed

- 
- Proposed ESRP of \$22,549,680 for (1) failure to offer coverage to at least 95% of FTEs for January – October and (2) Per FTE Penalties for November and December
  - ACA Form Vendor determined that a combination of incomplete system setup and bad data resulted in the failure to correctly complete the Form 1094-C, which should have shown offers of coverage to at least 95% of FTEs for all of 2016. When ACA Form Vendor fixed this underlying setup issue and bad data, it showed the Company passed the 95% threshold. Upon discovery of this error, a corrected 2016 Form 1094-C was submitted to the IRS showing offers of coverage to at least 95% of FTEs for all of 2016
    - Note was corrected but still received Letter 226J
  - ACA Form Vendor provided correct Line 16 codes; affordability safe harbor code was inadvertently not listed on the applicable 2016 Form 1095-C
  - There should be no ESRP assessed on the Company for 2016

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- Proposed ESRP of \$145,440 for failure to offer coverage to at least 95% of FTEs for October – December 2016. Also, Form 14765 showed blank Line 16 codes.
  - Company initially responded to IRS with a statement that employees on the Form 14765 had waived coverage and the Forms were missing the correct code for waived coverage. The IRS responded with a Letter 227M stating the ESRP had not been adjusted based on the information submitted.
  - Form 1094-C was incorrectly completed for October – December. The Payroll/ACA Form Vendor did not receive offer of coverage information for a group of employees in one state whose coverage was handled manually through the broker and was not recorded in the Payroll/ACA Form Vendor system. The Payroll/ACA Vendor stated the missing Line 16 codes were left blank when the below 95% was generated on the Form 1094-C. Ongoing monitoring required.
  - No ESRP should be assessed.

- 
- Form 1094-C / Form 1095-C were filed after the due date (and extension)
  - Penalties:
    - \$50 for each Form filed within 30 days after the due date; max of \$536,000/year (\$187,500 for small businesses (\$5mil or less gross receipts))
    - \$100 for each Form filed more than 30 days after the due date but by August 1; max of \$1,609,000/year (\$536,000 for small businesses)
    - \$260 for each Form filed after August 1; max of \$3,218,500/year (\$1,072,500 for small businesses)
  - Similar to penalties for late Forms W-2

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- Respond in writing by the due date
  - Company can agree and pay penalty
  - Company can partially disagree or totally disagree and include a signed statement and supporting documents explaining why the penalty should not apply
  - Good faith transition relief was provided for incorrect Forms, but not for late forms
  - Company can make “reasonable cause” argument for why penalties should not be assessed
    - Specific regulatory requirements for the reasonable cause statement

- 
- Proposed penalties of \$108,850 for late Forms 1095-C submitted in April 2018
  - ACA Form Vendor attempted to file Forms in March through IRS AIR system. Due to a non-specific error, all the Forms 1095-C were rejected. The cause of the error was identified and resolved and the ACA Form Vendor resubmitted the Forms in April
  - IRS Publication provides that, if an acceptable replacement transmission is received within 60 days from the initial rejection date, the file will be treated as filed on the initial submission date. Because the replacement transmission was received in April within 60 days from the original March submission, the IRS should not treat the Forms as late
  - Alternatively, there was reasonable cause for the penalties to be waived because the failure to timely file was beyond the Company's control and the Company acted in a responsible manner

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- Each EIN files its own Form 1094-C and accompanying Forms 1095-C
  - Incorrect Forms 1094-C / 1095-C can lead to an IRS Letter 226J
  - Review the Form 1094-C to ensure all YES in Part III, Column (a) – Minimum Essential Coverage Offer Indicator
  - Spot-check the Forms 1095-C to ensure there are no blanks in Line 16
    - If there are, ensure that is intentional and correct
  - Do not sit on an IRS Letter 226J; there is a 30-day deadline
    - Investigate with Payroll Vendor / ACA Form Vendor
    - Identify corrections to Forms and corrections to process
  - Always timely file Forms 1094-C and 1095-C
    - Otherwise, expect an IRS Notice 972CG

*haynesboone*