



Health Care Reform **Bulletin**

Draft Instructions for Employer Reporting of Health Coverage Released

Quick Facts

- On Aug. 28, 2014, the IRS released draft instructions for 6055 & 6056 reporting.
- Draft versions of forms for 6055 & 6056 reporting were released in July 2014.
- These instructions are draft versions only, and should not be relied upon for filing.
- Both the forms and instructions will be finalized later this year.

On Aug. 28, 2014, the IRS released draft instructions for forms that employers will use to report information about the health plan coverage they offer (or do not offer) to employees.

The Affordable Care Act (ACA) created new reporting requirements under Internal Revenue Code (Code) Sections 6055 and 6056. Under these new reporting rules, certain employers must provide information to the IRS about the health plan coverage they offer (or do not offer) to their employees.

On Aug. 28, 2014, the Internal Revenue Service (IRS) **released draft instructions** for the forms that employers will use to report under Code Sections 6055 and 6056.

- [Instructions for Forms 1094-B and 1095-B](#): These forms will be used by entities reporting under Section 6055 as health insurance issuers, sponsors of self-insured group health plans that are not reporting as applicable large employers (ALEs), sponsors of multiemployer plans and providers of government-sponsored coverage.
- [Instructions for Forms 1094-C and 1095-C](#): These forms will be used by ALEs that are reporting under Section 6056, as well as for combined reporting by ALEs who report under both Sections 6055 and 6056.

On Aug. 29, 2014, the IRS also released [Q&As on Section 6055](#) and [Q&As on Section 6056](#). In

addition, draft versions of Forms [1094-B](#), [1095-B](#), [1094-C](#) and [1095-C](#) were released in July 2014. Draft Forms 1095-B and 1095-C were also updated on Aug. 28, 2014, to include instructions for the recipient of the form.

These forms and instructions are **draft versions only**, and should not be relied upon for filing. The IRS may make changes to the instructions prior to releasing final versions. Both the forms and instructions will be finalized later this year.

Overview of Sections 6055 & 6056

The Code Sections 6055 and 6056 reporting requirements are intended to promote transparency with respect to health plan coverage and costs. They will also provide the government with information to administer other ACA mandates, such as the employer and individual mandates.

Code Section 6055 requires health insurance issuers, self-insured health plan sponsors, government agencies that administer government-sponsored health insurance programs and any other entity that provides minimum essential coverage (MEC) to report information on that coverage to the IRS and covered individuals.

Code Section 6056 requires ALEs subject to the employer shared responsibility rules to report information on the health coverage offered to full-time employees to the IRS and covered individuals.

Filing Requirements

Under both Sections 6055 and 6056, each reporting entity will be required to file all of the following with the IRS:

- A separate **information return** for each individual who is provided MEC (for ALEs, this includes only full-time employees); and
- A single **transmittal form** for all of the returns filed for a given calendar year.

Filing Due Dates

Under both Sections 6055 and 6056, the return and transmittal forms must be filed with the IRS on or before **Feb. 28 (March 31, if filed electronically)** of the year following the calendar year of coverage. However, if the regular due date falls on a Saturday, Sunday or legal holiday, entities should file by the next business day. For calendar year 2015, these forms must be filed by **Feb. 29, 2016, (or March 31, 2016, if filing electronically)**.

These forms are not required to be filed for 2014. However, in preparation for the first required filing (in 2016 for 2015 coverage), reporting entities may voluntarily file in 2015 for 2014 in accordance with the draft forms and instructions. More information about voluntary filing is available on the IRS website.

Statements Furnished to Individuals

All entities reporting under Section 6055 or 6056 must furnish a copy of Form 1094-C or 1095-C, as applicable, to the person identified as the responsible individual named on the form. Statements must be furnished by mail, unless the recipient affirmatively consents to receive the statement electronically.

The statement must be furnished on or before **Jan. 31** of the year following the calendar year

of coverage. The first statements are due to individuals by **Feb. 1, 2016**.

Where To File

Any reporting entity that is required to file **at least 250 returns** under Section 6055 or 6056 **must file electronically**. The 250-or-more requirement applies separately to each type of return and separately to each type of corrected return.

Reporting entities that are filing on paper will send paper returns to the address provided in the instructions, based on where their principal business, office or agency (or legal residence, in the case of an individual) is located.

Instructions for Forms 1094-B and 1095-B

Under Section 6055, every person that provides MEC to an individual during a calendar year must file Forms **1094-B** (a transmittal) and **1095-B** (an information return). This includes:

- Health insurance issuers or carriers;
- Self-insured health plan sponsors;
- Government agencies that administer government-sponsored health insurance programs; and
- Any other entity that provides MEC.

However, ALEs subject to the employer shared responsibility rules that sponsor self-insured group health plans will report information about the coverage in **Part III of Form 1095-C**, instead of on Form 1095-B. In general, an employer with 50 or more full-time employees (including full-time equivalents) during the prior calendar year is considered an ALE.

Instructions for Forms 1094-C and 1095-C

All ALEs must file **Form 1094-C** (a transmittal) and **Form 1095-C** (an information return) for each full-time employee for any month.

- Form 1094-C is used to report summary information for each employer to the IRS and to transmit Forms 1095-C to the IRS.



- Form 1095-C is used to report information about each employee.

These forms help the IRS determine whether an ALE owes penalties under the employer shared responsibility rules, as well as whether an employee is eligible for premium tax credits.

How to Complete Forms

ALEs that sponsor a self-insured health plan must also complete Form 1095-C, Parts I and III, for any individual (including any full-time employee, non-full-time employee, family members and others) who enrolled in the self-insured health plan. If the employee is full-time for any month, the ALE must also complete Part II. If the employee is not full-time for all 12 months of the calendar year, the ALE must complete only Part II, line 14, by entering code 1G in the “All 12 Months” column.

For other types of coverage, the issuer or plan sponsor will provide the information about their health coverage to any enrolled employees. The employer should not complete Form 1095-C, Part III, for those employees.

An employer that sponsors self-insured health coverage but is not subject to the employer shared responsibility rules is not required to file Forms 1094-C and 1095-C. Instead, these employers report on Forms 1094-B and 1095-B for employees who enrolled in the employer-sponsored self-insured health coverage.

Authoritative Transmittal for ALEs Filing Multiple Forms 1094-C

A Form 1094-C must be attached to any Forms 1095-C filed by an ALE. An ALE may submit multiple Forms 1094-C, each accompanied by Forms 1095-C, for some of its employees, provided that Forms 1095-C are filed for each employee for whom the ALE is required to file.

ALEs must file a single Form 1094-C reporting aggregate employer-level data for all full-time employees, identifying the form, on line 19 of Part II, as the **Authoritative Transmittal**. One Authoritative Transmittal must be filed for each ALE, even if multiple Forms 1094-C are

filed by and on behalf of the ALE. For example, if an employer has prepared a separate Form 1094-C for each of its two divisions to transmit Forms 1095-C for each division’s full-time employees, one of the Forms 1094-C filed must be designated as the Authoritative Transmittal and report aggregate employer-level data for all full-time employees (for both divisions).

One Form 1095-C for Each Employee of Each ALE

There must be only one Form 1095-C for each full-time employee of an ALE. For example, if an ALE separately reports for the full-time employees of its two divisions, the ALE must combine the information for any employee who worked at both divisions during the year so that there is only a single Form 1095-C for that employee which reports information for all 12 months of the calendar year.

In contrast, a full-time employee who works for more than one ALE that is a member of the same aggregated ALE group (that is, works for two separate ALE members) must receive a separate Form 1095-C from each ALE member.

More Information

Please contact Benefit Management Solutions Inc. for more information on reporting under Code Sections 6055 and 6056.

