

Important ACA Reporting Requirements; ***Now's the Time to Prepare for Section 6055 & 6056 Requirements***

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Employers with 50 or more full-time and/or full-time equivalent employees (“ALEs” under the ACA), health insurance issuers (insurance companies) and other sponsors of health plans must report information about their health plans to the IRS in early 2016 for 2015. These Code Sections 6055 and 6056 reporting requirements, **may cause administrative challenges for employers and plan sponsors** as some of the required information (i.e. dependent social security numbers) is not customarily captured by many HR systems. **Noncompliance will be costly** as penalties of \$100 per return, up to \$1,500,000, can be assessed; however short term relief has been issued provided that a good faith effort to comply can be shown.

Section 6055 IRS Reporting – Insurers and Self-Insured Plan Sponsors¹

Who? Health Insurance Issuers (insurance companies) **and Self-Insured Plan Sponsors** (employers or other plan sponsors such as associations, joint board of trustees or unions) that provide minimum essential coverage (MEC) must file an annual return with the IRS reporting information for each individual who is provided with coverage; related statements must also be provided to individuals. The IRS will be using this information to implement the Individual Mandate.

What? 6055 Return Reporting includes:

- 1) **Form 1094-B Transmittal of Health Coverage Returns**; a transmittal form to be filed with the IRS.
- 2) **Form 1095-B Health Coverage**; an informational statement return to be provided to each “responsible individual” (policy holder) and also filed with the IRS.

Insurers are responsible for these filings for fully-insured plan sponsors. Self-insured plan sponsors, other than ALEs, are responsible for their own filings. ***If you are a self-insured employer plan sponsor and an applicable large employer (ALE) you must meet both 6055 and 6056 reporting requirements under a combined reporting method using Form 1094-C and Form 1095-C as detailed below.***

When? Returns must be filed annually no later than February 28th (March 31st if filed electronically). **The first returns are due on February 29, 2016 (February 28, 2016 being a Sunday) or March 31, 2016, if filed electronically.** ***Note: any entity required to file at least 250 returns is required to file electronically.***

¹ Employers with less than 50 full-time employees that sponsor self-insured health plans are required to report under section 6055 even if not required to report under Section 6056. Section 6055 reporting is not required for arrangements that provide benefits in addition to/as a supplement to MEC (i.e. HRAs) or for coverages that are not MEC (i.e. HSAs).

Section 6056 IRS Reporting – Applicable Large Employers (ALEs)

Who? All ALEs must file this annual return to report that coverage offered meets [ACA MEC, minimum value and affordability requirements](#). The IRS will use this information to monitor employer shared responsibility provisions and to verify whether or not employees are eligible for premium tax credits.

What? 6056 Return Reporting includes:

- 1) **Form 1094-C Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns;** a transmittal form to be filed with the IRS certifying eligibility and aggregate member information.
- 2) **Form 1095-C Employer-Provided Health Insurance Offer and Coverage;** an employee statement return to be provided to each employee and the IRS. This statement return requires employers to provide information on the offering of health coverage, including which *months coverage was offered, the employee share of lowest cost monthly self-only (employee-only) coverage, and employee and dependent social security numbers (dates of birth on dependents if a social security number is not available)*.

The final rule allows for some alternate reporting methods. Specifically In 2015 only, if an ALE can certify that a qualifying offer of health coverage was made to at least 95% of its employees, spouses and dependents for each month of the reporting period it may file an alternate simplified 1095-C report. Under this alternate report, only the employee's name, social security number, address and monthly indicator code will be required on the 1095-C (no dependent data necessary) along with simplified employee statements that will also include employer contact information and wording, as applicable, that the employee is not eligible to claim a premium tax credit for any of the 12 calendar months *OR* that the employee may be eligible to claim a premium tax credit for one or more of the 12 calendar months (wording depends on whether the employee had an offer of coverage from that employer for the full 12 calendar months of 2015).

When are filings due? 6056 returns must be filed annually no later than February 28th (March 31st if filed electronically). **The first returns are due on February 29, 2016 (February 28, 2016 being a Sunday) or March 31, 2016, if filed electronically.** *Note: all ALEs filing at least 250 returns are required to file electronically.*

GET STARTED NOW!

Now is the time to begin collecting and organizing your information to make sure you have a system in place to comply with ACA requirements. The current forms and instructions are draft versions only, and should not be used for filing with the IRS or relied upon for filing. Sullivan Benefits will continue to monitor the status of final forms and instructions; in the meantime, we are poised to assist you with workbooks and other tools to help you track the necessary information you need to keep to be in compliance.

The above highlights ACA reporting requirements under Sections 6055 and 6056; it is not intended to be exhaustive. As always, should you have any questions or concerns in meeting your obligations, feel free to contact any member of the [Sullivan Benefits Team!](#)