

Health Care Reform Alert **Affordable Care Act Reporting Requirements IRS Sections 6055 and 6056** What Employers Need to Know

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The following is a brief summary of the guidance to date on new employer reporting requirements known as section 6055 and section 6056 reporting. Because the rules are subject to change until the government issues “final” guidance, Creative Benefits offers this summary now and will issue a detailed Alert once the final rule is published.

This article pertains to your company if you are:

- An employer sponsoring a self-insured health plan of any size; or
- A large employer (generally 50 or more employees)

Here’s what to do now:

- *Don’t panic—the first reporting is not required until early 2016.*
- Determine which reporting requirement(s) applies to your company and familiarize yourself with those requirements.
- Begin strategizing how you will collect the required information.
- Determine if a third party will assist you in collecting information and reporting.
- Budget for the additional human resources, time, or third party assistance you will utilize.
- Stay tuned for the final rules from the government (and Alerts from Creative Benefits).

To refresh your memory...

This summer when the government announced a delay in a key Affordable Care Act provision, large employers breathed a sigh of relief. The employer mandate, originally set to take effect in 2014 and requiring large employers to offer adequate medical insurance coverage to their full-time employees or pay penalties, will not take effect until 2015. (The individual mandate that requires most US citizens to maintain minimum essential coverage was not delayed, however, and will still take effect on January 1, 2014.)

Less attention was given to the reason the employer mandate was delayed—nobody was ready to implement the complex reporting requirements needed to make the employer mandate work—not the government, not employers, and not insurers. The one-year delay is designed to give these stakeholders time to put systems in place to gather and report the required information and then to have the government distill

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it and use it to implement the law. The government indicated that the reporting requirements would be simplified and designed to avoid duplication.

Stakeholders collectively moaned when they read proposed guidance from the government on September 5—there is still a tremendously large amount of information to gather and report.

Here's what we know now:

This could change again

The proposed rule has a comment period until November 8, 2013 and a hearing will be held in Washington on November 19. So stay tuned—there may still be changes to these reporting rules. However, significant changes from the September 5 proposed rule are not anticipated.

There are two reporting requirements referred to as sections 6055 and 6056

Section 6055 reporting is required by entities that provide minimum essential coverage and is needed for the government to carry out the individual mandate.

Section 6056 reporting is required by large employers who provide medical coverage to their full-time employees and is needed for the government to carry out the employer mandate.

Responsibility for reporting depends on the type of entity you are

Table 1. Reporting Responsibility by Entity

Employer Type	6055 Responsible Entity	6056 Responsible Entity
Small, fully insured	Insurer	Not applicable
Small, self-insured	Employer	Not applicable
Large, fully insured	Insurer	Employer
Large, self-insured	Employer	Employer
Multiemployer, fully insured	Insurer	Multiemployer plan
Multiemployer, self-insured	Multiemployer plan	Multiemployer plan

First reporting is due in early 2016

The government encourages voluntary reporting for calendar year 2014. However, the first year required to be reported is calendar year 2015. The deadline for reporting to the government for both 6055 and 6056 is the end of February 2016 (or end of March for electronic reporting). Separate statements that report to individuals on what was reported about them—required under both 6055 and 6056—will be due at the end of January 2016.

Similar, but different, information is required

The 6055 reporting requires less information gathering than the 6056 reporting. The information required is similar but somewhat different for both. The government is exploring ways to simplify any duplicative reporting, perhaps by allowing self-insured plans subject to both reporting requirements to file only one return.

Of note is that the 6055 reporting requires information on everyone insured under the group health plan. Some employers will need to begin requiring Social Security numbers for all dependents upon enrollment.

Table 2 on page 4 shows information expected to be required under both reporting requirements. We cannot know for sure what the final required information will be until the final rule is released and the government provides the actual forms on which the information will be reported (Forms 1095-B and 1095-C).

This health care reform alert is only a summary of two mandates of the Affordable Care Act. It cannot cover all aspects of the mandates and how it will impact your company.

You have questions.
We have answers.

Schedule a meeting with Creative Benefits today. You are invited to our office or we will come to you. Our discussion will be based on how health care reform affects your unique company, now and in the future.

Call 866-306-0200 and ask for Robin Norgaard



Table 2. Sample Reporting Requirements Comparison (subject to change)

6055 Government Returns (Self-insured Employers)	6056 Government Returns (Large Employers)
<ul style="list-style-type: none"> ▪ Employer name, address, EIN 	<ul style="list-style-type: none"> ▪ Employer name, address, EIN
<ul style="list-style-type: none"> ▪ Insured name, address, TIN (including dependents) 	<ul style="list-style-type: none"> ▪ Contact person name and phone number
<ul style="list-style-type: none"> ▪ Filer name, address, EIN 	<ul style="list-style-type: none"> ▪ Each full-time employee’s name, address, and TIN
<ul style="list-style-type: none"> ▪ Months of insured coverage for each individual 	<ul style="list-style-type: none"> ▪ Calendar year of return
<ul style="list-style-type: none"> ▪ Whether insurance is through a SHOP 	<ul style="list-style-type: none"> ▪ Certification if coverage offered to full-time employees and dependents by calendar month
Individual Statements (One statement per address)	<ul style="list-style-type: none"> ▪ Months when coverage was available
<ul style="list-style-type: none"> ▪ Same information as reported to the IRS 	<ul style="list-style-type: none"> ▪ Full-time employees’ share of cost of lowest self-only premium, by calendar month
<ul style="list-style-type: none"> ▪ Reporting entity name, address, and contact number 	<ul style="list-style-type: none"> ▪ Number of full-time employees in each calendar month
<ul style="list-style-type: none"> ▪ Policy number 	<ul style="list-style-type: none"> ▪ Months each full-time employee was covered under the plan
	<ul style="list-style-type: none"> ▪ Possible indicator codes for information such as <ul style="list-style-type: none"> - Whether the plan provides minimum value - If the spouse had the opportunity to enroll - Whether any waiting periods - Whether employer is a member of a controlled group - Tier level
	Individual Statements (One statement per full-time employee)
	<ul style="list-style-type: none"> ▪ Employer name, address, and EIN
	<ul style="list-style-type: none"> ▪ All information in the return sent to the IRS with respect to the full-time employee