

Affordable Care Act: 6055 & 6056 Reporting

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What it is

The Affordable Care Act (ACA) requires that both health insurance providers and large employers (defined as having 50 or more full-time employees) report each calendar year that they are meeting the regulations required to provide affordable and credible health insurance to full-time employees working 30 or more hours weekly. These reporting obligations are intended to provide detailed health care coverage information to the IRS for each covered person. At the end of the year, taxpayers and their dependents must be able to prove they were participating in a qualified health plan, either through a Health Care Exchange or through their employer's qualified health care benefits. For calendar year 2015, all large employers (50 or more full-time employees) are required to report. However, employers with 50 to 99 employees who do not offer health care benefits to their employees will not suffer any fine or penalty for not doing so. In 2016, employers with 50 to 99 FTEs must comply during calendar year 2016 or be subject to "pay or play" penalties for not doing so.

Insurance Company (Providers) Reporting Requirements

Under the ACA, health insurance providers and employer self-insured plans are required to report information about each "covered" individual (member), their covered dependents and their health benefits to both the insured individual and the IRS or face penalties. Taxpayers will receive two new forms to include in their filing at the end of each year. They will receive a 1095-B from their insurance provider as well as a 1095-C from their employer if they work for a large company (50 or more FTEs). If the taxpayer does not work for a large employer who offers insurance and obtains coverage from the Exchange (marketplace), they will receive a 1095-A from the Exchange.



ACA Reporting Requirements

Section 6055 - Insurance Company & Self Insured Plans

- Transmits coverage information to IRS using Form 1094-B
- Provides information to insured individuals using Form 1095-B
- Includes information on covered dependents

Section 6055 of the Affordable Care Act requires health insurers (providers), self-insuring employers and other health coverage providers to provide information to the IRS about the entity providing coverage and each enrolled individual. These organizations must also provide individual coverage information to each covered individual using form 1095-B.

Section 6056 - Large Employer Reporting (50 or more FTEs)

- Transmits coverage information to IRS - Form 1094-C & Form 1095-C
- Transmittal or filing with the IRS must take place by February 29, 2016 (if paper filing) and by March 31, 2016 (if filing electronically). For calendar year 2015, employers filing 250 or more Forms 1095-C must file electronically.
- Provides coverage information to all covered employees using Form 1095-C
- Includes information on covered dependents
- Form 1095-C must be provided to employees no later than February 1st each year for coverage provided to the employee during the previous Calendar year.

Under Section 6056 of the Affordable Care Act, a large employer subject to the employer shared responsibility provisions must file one or more Form(s) 1094-C and must file a Form 1095-C (or substitute) for each employee who was an FTE of the employer (and for each other employee who has MEC through the employer's plan, even if not an FTE) for any calendar month during the year. Each employer member of the controlled group with employees must separately file. If an employer provides coverage through an insured plan, part of Form 1095-C will be left blank.

More Information on the New Forms

1095-A

Form 1095-A will be used by Health Care Exchanges and web-based health insurance marketplaces. This form will provide information on each individual enrolled in "qualified health plans" (QHPs). Every year, the Health Care Exchanges will be required to provide Form 1095-A to the individual. This form will include information such as the level of coverage, identifying information for the primary insured, premium amounts and advance credit payments for coverage. Other information necessary to determine if a taxpayer has received the appropriate advance credit payments will also be reported on the form. Every month, marketplaces will be required to report to the Department of Health and Human Services, who will in turn report to the IRS.

1095-B

The Health Insurance Provider will provide Form 1095-B to the covered member in order to report on the type of coverage provided, period of coverage and for whom coverage was provided, including each dependent. The health insurance provider will also send a transmittal (1094-B) of coverage information to the IRS.

1095-C

Large Employers (50 FTEs or more) will provide Form 1095-C to their employees reporting on the type of coverage provided, as well as identification information for each employee and their dependents. Large employers will also be required to send a transmittal (1094-C) of coverage information to the IRS.

Note: This review is being provided as "general information only" and is not intended to be a detailed overview of the 6055 and 6056 reporting requirements. It is recommended that employers and others seek legal and/or accounting expertise to assess your organization's reporting requirements.

Additional Services:

- BASIC ERISA Essentials
- BASIC FMLA & Absence Management
- BASIC Payroll
- BASIC COBRA & FSA