

HEALTH CARE REFORM SERIES

Employer reporting 6055 and 6056 ACA requirements

What is it?

The Affordable Care Act (ACA) includes annual reporting requirements for Applicable Large Employers (ALEs), health insurers, and self-insured employers. Health insurers and self-insured employers must report information annually to the Internal Revenue Service (IRS) and provide statements to policyholders regarding Minimum Essential Coverage (MEC). ALEs are required to report health coverage offered during the previous year to full time employees. Reporting requirements generally serve two purposes:

- Reporting to the IRS confirms compliance with the individual shared responsibility requirement to have MEC when they file taxes.
- Reporting to the IRS under employer shared responsibility rules for ALEs to provide affordable coverage that meets minimum value to their full-time employees and dependents.

Final rules for these requirements were issued by the IRS on March 10, 2014.

Q&As

What is an ALE?

Under the ACA's employer shared responsibility rules, an ALE is generally an employer with 50 or more full-time employee equivalents.

What is MEC?

Under the ACA's individual shared responsibility rule, most U.S. citizens are required to have some form of basic health insurance coverage, which is also known as MEC. Citizens are subject to penalty if they do not meet MEC. Taxpayers are required to attest to having MEC, though currently the penalty for not having MEC is set to \$0.

What information is required for reporting to the IRS?

The back page lists information required to show MEC standards and employer shared responsibility obligations are being met.

What forms should be used?

- Self-insured employers that are also ALEs can fulfill both requirements by filling out a 1095-C form and submitting it to the IRS.
- An employer that is an ALE that provides insured group coverage will also use form 1095-C.

- Health insurers and employers that are not ALEs (and other specified entities), will utilize form 1095-B. Forms are posted on the IRS website.

What are the requirements for reporting to individuals?

Reporting to individuals is generally due by Jan. 31 of each year. For the 6055 requirement, employers and insurers will need to provide a copy of the 1095-C or 1095-B form as applicable, as well as a contact person and phone number to the "responsible individual." For the 6056 filing, all ALEs will need to provide a copy of the 1095-C form, as well as the name, address and Employer Identification Number (EIN) of the employer to the employee.

When does reporting to the IRS need to be submitted?

For paper filing, the 2020 reports will be due to the IRS by Feb. 26, 2021 (because Feb. 28th is a Sunday). For electronic filing, the reports will be due to the IRS by March 31st, 2021. Reporting to the individual is required by Jan. 29, 2021 (because Jan. 31st is a Sunday). Forms can be found at [irs.gov](https://www.irs.gov). ALEs who don't offer health plan coverage to their employees are also required to report to the IRS.

Are there penalties for not meeting these requirements?

Yes, significant penalties may apply. Employers should consult with their legal or tax advisors regarding specific penalties that may be applicable.

MEC Reporting Fields for Health Plans (1095-B) including Self-Insured Employer Plans (1095-C)

Each covered individual's:

- Name, address and taxpayer ID
- The months the individual was enrolled in coverage for at least one day during the month
- The name, address and EIN of the employer plan sponsor
- Any other information specified in the forms, instructions or published guidance

ALE reporting fields (1095-C)

- Name and telephone number of contact person
- The year for which the information is provided
- Declaration of whether or not the employer offered full-time employees and their dependents the opportunity to enroll in MEC under an eligible employer-sponsored plan, by calendar month
- The months during the calendar year for which MEC was available
- Each full-time employees' share of the lowest cost monthly premium (self-only) for coverage providing minimum value offered under an eligible employer sponsored plan, by calendar month
- The number of full-time employees for each month of the calendar year
- The name, address and tax ID (SSN) of each full-time employee during the calendar year and the months during which the employee was covered under the plan
- Any other information specified in forms, instructions or published guidance

More information

To learn more, visit healthpartners.com/employer.

