



## Health Care Reform **Bulletin**

# Final IRS Forms and Instructions Issued for 2015 Section 6055 and 6056 Reporting

Provided by Rose Street Advisors

### Quick Facts

- The IRS has released final 2015 forms and instructions for ACA reporting.
- The IRS also issued Notice 2015-68, which includes proposals on Section 6055.
- The 2015 instructions finalize the proposed deadline extensions and electronic filing waiver, and also clarify the reporting rules for employers that offer HRAs.

The 2015 final instructions include important clarifications on the reporting of HRA coverage, resolving the question in favor of employers in many cases.

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) or provide to their employees. Reporting is first required in 2016, related to the coverage offered or provided in 2015.

On Sept. 17, 2015, the Internal Revenue Service (IRS) released final 2015 versions of the forms and instructions that employers will use to report under Sections 6055 and 6056.

1. [Form 1094-B](#) and [Form 1095-B](#) (and related [instructions](#)) will be used by entities reporting under **Section 6055**, including sponsors of self-insured group health plans that are not reporting as applicable large employers (ALEs).
2. [Form 1094-C](#) and [Form 1095-C](#) (and related [instructions](#)) will be used by ALEs that are reporting under **Section 6056**, and for combined reporting by ALEs that sponsor self-insured plans required to report under **both Sections 6055 and 6056**.

On the same day, the IRS issued [Notice 2015-68](#) to provide additional guidance for purposes of Section 6055 reporting.

### Key Developments

The 2015 final forms remained unchanged from the 2015 draft versions. The 2015 final instructions were also largely unchanged from the 2015 draft versions, but provide clarifications on some questions.

The final instructions also contain the following key provisions:

- **Extensions of time to file returns with the IRS and furnish statements to individuals** (finalized from draft versions);
- **A process to obtain waivers from the electronic filing requirement** (finalized from draft versions); and
- **Relief from separate Section 6055 reporting for many health reimbursement arrangements (HRAs)** (clarified from prior guidance and draft versions).

### Extensions and Waivers

In general, reporting entities may receive an **automatic 30-day extension** of time to file returns with the IRS by completing [Form 8809](#),



*Application for Extension of Time To File Information Returns*, by the due date of the returns. Under certain hardship conditions, reporting entities may apply for an additional 30-day extension.

Reporting entities may also request an extension of time to furnish the statements to recipients by sending a letter to the IRS, postmarked by the date on which statements are due to recipients.

Finally, reporting entities may receive a **waiver from the requirement to file returns electronically** by submitting [Form 8508](#), *Request for Waiver From Filing Information Returns Electronically*, at least 45 days before the due date of the returns.

#### **Section 6055 Reporting for HRAs**

The 2015 draft instructions indicated that separate Section 6055 reporting would be required for many HRAs, despite prior guidance suggesting that HRAs would be considered “supplemental coverage” for which separate reporting was not required.

However, the 2015 final instructions include important clarifications on this issue, resolving the question in favor of employers in many cases:

- **An employer with a self-insured major medical plan and an HRA is required to report coverage under only one of the arrangements.**
- **An employer with an insured major medical plan and an HRA is not required to report HRA coverage if the individual is eligible for the HRA because he or she enrolled in the insured major medical plan.**

However, **an employer with an HRA must report the HRA coverage for any individual who is not enrolled in the employer’s major medical plan** (for example, if the individual is enrolled in a group health plan of another employer, such as spousal coverage).

#### **More Information—Forms 1094-C and 1095-C**

The 2015 instructions for Forms 1094-C and 1095-C also:

- Included an example to illustrate the Qualifying Offer Method;
- Added an additional day (the 12th day of each month) that employers may use to determine the number of employees per month;
- Clarified that an offer of COBRA continuation coverage that is made to a former employee upon termination of employment **should not be** reported as an offer of coverage, regardless of whether the employee enrolls in that coverage. Instead, Code 1H (No offer of coverage) should be entered for any month in which the offer of COBRA continuation coverage applies;
- Added circumstances under which Code 2C (Employee enrolled in coverage offered) **should not** be used. Code 2C should not be used for any month in which a terminated employee is enrolled in COBRA coverage (instead, enter Code 2A). Also, Code 2E (Multiemployer interim rule relief) should be used for any month in which the multiemployer arrangement interim guidance applies for that employee, regardless of whether any other code in Code Series 2 (**including Code 2C**) might also apply; and
- Clarified that, for purposes of determining an employer’s average number of employees, employers may disregard an employee for any month in which the employee has coverage under a plan described in Code Section 4980H(c)(2)(F) (generally, TRICARE or Veterans Administration coverage).

#### **Notice 2015-68**

The IRS also issued Notice 2015-68 on Sept. 17, 2015, to indicate that it plans to issue proposed regulations related to Section 6055 reporting.



These proposed regulations are expected to:

- Require health insurance issuers to report coverage in catastrophic health insurance plans that were enrolled in through an Exchange;
- Allow electronic delivery of statements reporting coverage under expatriate health plans, unless the recipient explicitly refuses consent or requests a paper statement;
- Allow filers reporting on insured group health plans to use a truncated taxpayer identification number (TTIN) to identify the employer on the statement furnished to a taxpayer; and
- Specify when a provider of minimum essential coverage (MEC) is not required to report coverage of an individual who has other MEC.

Notice 2015-68 also:

- Invites comments on issues relating to the solicitation of covered individuals' taxpayer identification numbers (TINs);
- Clarifies that the governments of U.S. possessions or territories (namely American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands) are not required to report coverage under Medicaid and the Children's Health Insurance Program (CHIP); and
- Provides that the state government agency sponsoring coverage under the Basic Health Program (BHP) is required to report that coverage.

#### **Additional Resources**

The IRS previously released final 2014 versions of Forms [1094-B](#) and [1095-B](#) (and related [instructions](#)), and Forms [1094-C](#) and [1095-C](#) (and related [instructions](#)) on Feb. 8, 2015. These forms are **not required to be filed for 2014**, but reporting entities may voluntarily file them in 2015 for 2014 coverage.

The IRS also released [Q&As on Section 6055](#) and [Q&As on Section 6056](#), as well as a separate set of [Q&As on Employer Reporting using Form 1094-C and Form 1095-C](#).

#### **More Information**

Please contact Rose Street Advisors for more information on reporting under Code Sections 6055 and 6056.

