



July 30, 2014

IRS Releases Draft Forms for Required Annual Employer Reporting

As discussed in previous editions of Trion's HCR News on [April 1, 2014](#) and [October 16, 2013](#), the Affordable Care Act (ACA) imposes certain annual information reporting requirements on employers and health plan sponsors starting in early 2016 for the 2015 calendar year reporting period. This reporting, known as Section 6055 and Section 6056 reporting, will assist the IRS in administering compliance with the individual and employer shared responsibility mandates of the ACA. On July 24, 2014, the IRS released draft versions of forms that reporting entities will use to satisfy the reporting requirements.

Section 6056 requires applicable large employers (50 or more full-time/ full-time equivalent employees) to report information about the health care coverage they have offered employees to enable the IRS to determine whether large employers are in compliance with the employer mandate and confirm whether individuals are eligible for premium tax credits for marketplace coverage. Section 6055 requires health insurance issuers, self-insured plan sponsors, and others that provide minimum essential coverage to individuals to report information about that coverage to enable the IRS to determine whether individuals are in compliance with the individual mandate.

To satisfy Section 6056 reporting, applicable large employers will use IRS Form 1094-C (a single transmittal sheet) and Form 1095-C (a separate form for each employee reported). In general, IRS Forms 1094-B (a single transmittal sheet) and 1095-B (a separate form for each primary insured reported) are for use by insurers and plan sponsors to satisfy Section 6055 reporting. However, an employer that must report under both Section 6056 as an applicable large employer and Section 6055 as a self-funded plan sponsor will file via a combined reporting method using only Forms 1094-C and 1095-C. Thus, Forms 1094-B and 1095-B will be used only by insurers and self-funded plan sponsors that are not applicable large employers.

In addition to submitting the information to the IRS, reporting entities must also provide Form 1095-B and Form 1095-C to the employee/primary insured named in each form. Below is an overview of the requirements for each type of reporting entity:

	Applicable Large Employer Offering No Minimum Essential Coverage or Insured Coverage Only ¹	Applicable Large Employer Offering Self-Funded Minimum Essential Coverage	Insurer or Non-Applicable Large Employer Self-Funded Plan Sponsor Offering Minimum Essential Coverage
IRS Forms Required	Form 1094-C to IRS Form 1095-C (Parts I & II) to IRS and named employees/primary insureds	Form 1094-C to IRS Form 1095-C (Parts I – III) to IRS and named employees/primary insureds	Form 1094-B to IRS Form 1095-B to IRS and named employees/primary insureds

¹ For the 2015 reporting year, employers with 50-99 full-time employees that qualify for transition relief from the employer mandate in 2015 and that do not sponsor self-funded minimum essential coverage must only file a 1094-C transmittal form certifying their eligibility for transition relief.

In its statement on July 24th, the IRS indicated that draft instructions for these forms will not be available until the end of August 2014. These forms are draft versions only and should not be relied upon for filing. The IRS [invited comments from stakeholders](#) regarding the forms and anticipates issuing final forms and instructions later this year.

While the forms are subject to change, the draft forms give employers a better idea of the data elements and reporting format that may be required of them. We suggest that employers review the draft forms and begin to formulate preliminary plans for gathering and reporting required information, with an understanding that adjustments might be necessary if changes are made to the finalized forms. Trion is currently reviewing the specifications to determine best practice for automating the data collection process for our Benefits Administration clients and to determine what services we can provide to provide to support other clients with this process. We will keep you informed as more information becomes available.

PPACA REGULATIONS & GUIDANCE ISSUED IN THE LAST 3 MONTHS

- May 2014: [ACA FAQs Part XIX – COBRA Notices, Cost Sharing Limits, Preventive Services, FSA Carryover & SBCs](#)
- May 2014: Agencies Issue [Bulletin on COBRA Special Enrollment](#) and [Proposed Rules](#)
- May 2014: [CMS Issues FAQ on Transitional Reinsurance Contribution Process](#)
- Jun. 2014: [Agencies Issue Final Rules on Orientation and 90-Day Waiting Periods](#)
- Jun. 2014: [IRS Issues Final Regulations on Small Employer Tax Credit](#)
- Jul. 2014: [ACA FAQs Part XX – Preventive Services Disclosure Regarding Contraceptives](#)
- Jul. 2014: [IRS Issues Draft Forms for Employer Reporting \(1094-B, 1095-B, 1094-C & 1095-C\)](#)

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