



Health Care Reform

LEGISLATIVE BRIEF

Brought to you by Morris & Reynolds Insurance

Code Section 6056—What Information Must Be Reported?

The Affordable Care Act (ACA) created new reporting requirements under Internal Revenue Code (Code) Section 6056. These new reporting rules require applicable large employers subject to the ACA's employer shared responsibility rules to report information on the health coverage offered to full-time employees to the Internal Revenue Service (IRS) and covered individuals. Related statements must also be provided to individuals.

REQUIRED FORMS

The Section 6056 reporting will be accomplished using forms 1094-C and 1095-C. Each ALE is required to file the following forms with the IRS:

- A single **transmittal form** (Form 1094-C) for all of the returns filed for a given calendar year; and
- A separate **employee statement** (Form 1095-C) for each full-time employee.

On Feb. 8, 2015, the IRS released **final versions** of Forms [1094-C](#) and [1095-C](#) (and related [instructions](#)). Note that these forms are for use in 2014. **Reporting is not required for 2014**, but reporting entities may voluntarily file these forms in 2015 for 2014 coverage. **Reporting is first required in early 2016 for calendar year 2015**. Forms and instructions for 2015 reporting have not yet been released and may contain some changes.

An ALE that maintains a self-insured plan must also report under Code Section 6055 as a provider of minimum essential coverage (MEC). Entities that are reporting under both Sections 6055 and 6056 will file using a combined reporting method, on **Form 1094-C** and **Form 1095-C**. The Form 1095-C has separate sections to allow ALEs that sponsor self-insured plans to combine reporting to satisfy both the Section 6055 and 6056 reporting requirements, as applicable, on a single return.

This Legislative Brief outlines the information required to be reported on Forms 1094-C and 1095-C under Code Section 6056. Please contact Morris & Reynolds Insurance if you need more information on Section 6056 reporting.

REPORTING ENTITIES

The Section 6056 reporting requirements apply to "applicable large employers" (ALEs) subject to the ACA's employer shared responsibility rules. An ALE is an employer that employed an average of at least **50 full-time employees**, including full-time equivalents (FTEs), on business days during the preceding calendar year. Full-time employees are those employed, on average, at least 30 hours of service per week. Whether an employee qualifies as a full-time employee is determined under either the look-back measurement method or the monthly measurement method, as described in the employer shared responsibility [final regulations](#).

Section 6056 applies to all employers that are ALEs, regardless of whether coverage is offered to full-time employees, and regardless of whether the employer is a tax-exempt or government entity (including federal, state, local and Indian tribal governments). However, only ALEs with full-time employees are subject to the Section 6056 requirements (and only with respect to their full-time employees).

Thus, **ALEs without any full-time employees are not subject to the Section 6056 reporting requirements.**

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FORM 1094-C: REQUIRED INFORMATION

Each ALE must file a Section 6056 transmittal form (Form 1094-C) with its Forms 1095-C filed by the ALE. An ALE can file more than one Form 1094-C if groups of Forms 1095-C are filed together. However, there must be only one Section 6056 Authoritative Transmittal (Form 1094-C) reporting aggregate employer-level data for all full-time employees of the ALE.

The following information must be included on the Form 1094-C. All information must be completed by all ALEs, unless noted otherwise.

PART	LINE	REQUIRED INFORMATION	MORE DETAILS
I	1	Employer's name	
	2	Employer's nine-digit EIN, including the dash	
	3–6	Employer's complete address (including room or suite no., if applicable)	
	7 & 8	Name and telephone number of the employer's contact person who is responsible for answering any questions	
	9	DGE's name	Lines 9-18 only completed by a Designated Government Entity (DGE) filing on behalf of an employer
	10	DGE's nine-digit EIN, including the dash	
	11–14	DGE's complete address (including room or suite no., if applicable)	
	15 & 16	Name and telephone number of the DGE's contact person who is responsible for answering any questions related to the Form 1094-C	
	17	Reserved for future use	
	18	Total number of Forms 1095-C submitted with this Form 1094-C transmittal	
II	19	Whether this Form 1094-C is the Authoritative Transmittal (check the box if yes)	Complete Part II only on the Authoritative Transmittal
	20	Total number of Forms 1095-C that will be filed by and/or on behalf of the employer	
	21	Whether the employer was a member of an Aggregated ALE Group during any month of the calendar year	
	22	<p>Whether the employer meets the eligibility requirements and is using one of the Alternative Methods of Reporting and/or one of the forms of Transition Relief indicated</p> <ul style="list-style-type: none"> • Whether the employer is eligible for and using the Qualifying Offer Method for one or more full-time employees (check Box A) • Whether the employer is eligible for and using the Qualifying Offer Method Transition Relief for the 2015 calendar year for one or more full-time employees (check Box B) • Whether the employer is eligible for Section 4980H Transition Relief based on its number of full-time employees (check Box C) • Whether the employer is eligible for and using the 98% Offer Method (check Box D) 	

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III	23—35, Column (a)	Whether the employer offered minimum essential coverage (MEC) under an eligible employer-sponsored plan to substantially all of its full-time employees and their dependents for the entire calendar year	
	23—35, Column (b)	Number of full-time employees for each month (do not count any employee in a Limited Non-Assessment Period)	ALEs eligible for the 98% Offer Method do not complete this column
	23—35, Column (c)	Total number of employees (including full-time employees, non-full-time employees and employees in a Limited Non-Assessment Period) for each calendar month	
	23—35, Column (d)	The months for which the employer was an Aggregated ALE Group member	Only Aggregated ALE Group Members complete this column
	23—35, Column (e)	The Section 4980H Transition Relief Based on Number of Full-time Employees the employer is eligible for (if any)	
IV	36—65	Name(s) and EIN(s) of up to 30 of the other Aggregated ALE Group members, in descending order based on number of full-time employees	Only Aggregated ALE Group Members complete this column

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FORM 1095-C: REQUIRED INFORMATION

Each ALE must file **one Section 6056 employee statement** (Form 1095-C) for each full-time employee with respect to employment with that ALE, so that all information for a particular full-time employee of the ALE is reflected on a single Form 1095-C.

The following information must be included on the Form 1095-C. All information must be completed by all ALEs, unless noted otherwise.

PART	LINE	REQUIRED INFORMATION	MORE DETAILS
I	1	Employee's name (first name, middle initial, last name)	
	2	Employee's nine-digit SSN, including the dashes	
	3–6	Employee's complete address, including country code (and including apartment no., if applicable)	
	7	Employer's name	
	8	Employer's nine-digit EIN, including the dash	
	9 & 11–13	Employer's complete address (including room or suite no., if applicable)	
	10	Telephone number of the employer's contact person whom the recipient may call about the information reported on the Form 1095-C	
II	14	Whether an offer of coverage was made to the employee for each calendar month, and the type of coverage offered (enter applicable code from Code Series 1)	
	15	Amount, including any cents, of the employee share of the lowest-cost monthly premium for self-only MEC providing minimum value that is offered to the employee	Complete ONLY if Code 1B, 1C, 1D or 1E is entered on line 14
	16	Whether a safe harbor or other relief applies for the employer for each calendar month (enter applicable code from Code Series 2)	Complete ONLY if a code in Code Series 2 applies
III	17–22, Column (a)	Name of each individual covered under the self-insured plan	Complete ONLY if coverage is provided through a self-insured plan
	17–22, Column (b)	Nine-digit SSN for each covered individual, including the dashes (or other TIN, if the covered individual does not have an SSN)	
	17–22, Column (c)	Date of birth (MM/DD/YYYY) for the covered individual, only if column (b) is blank*	
	17–22, Column (d)	Check this box if the individual was covered for at least one day per month for all 12 months of the calendar year	
	17–22, Column (e)	If the individual was not covered for all 12 months of the calendar year, check the applicable box(es) for the months in which the individual was covered for at least one day in the month	

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* REPORTING SOCIAL SECURITY NUMBERS

Reporting entities are required to report the Social Security number (SSN) or other Taxpayer Identification Number (TIN) for each covered individual. If a reporting entity is unable to obtain an SSN after making a reasonable effort to do so, the covered individual's date of birth (MM/DD/YYYY) may be entered in lieu of an SSN.

To show a reasonable effort to obtain the SSN, the reporting entity must make:

- An initial solicitation at the time the relationship with the payee is established. However, the reporting entity is not required to make this initial solicitation if it already has the payee's TIN and uses that TIN for all relationships with the payee.
- If the reporting entity does not receive the TIN, the first annual solicitation is generally required by Dec. 31 of the year in which the relationship with the payee begins (Jan. 31 of the following year, if the relationship begins in December).
- Generally, if the TIN is still not provided, a second solicitation is required by Dec. 31 of the following year.

If a TIN is still not provided, the reporting entity need not continue to solicit a TIN. If the responsible individual is not enrolled in the coverage, providers may, but are not required to, report the TIN of the responsible individual.

Employee statements may truncate the TIN or SSN of a covered individual on any statements furnished to individuals, by showing only the last four digits of the TIN or SSN and replacing the first five digits with asterisks or Xs. Truncation is not allowed on forms filed with the IRS. In addition, an Employer Identification Number (EIN) may not be truncated on the forms filed with the IRS.

ADDITIONAL RESOURCES

- [Final rule](#) on the Section 6056 reporting requirements (issued March 5, 2014)
- [Questions and Answers](#) (Q&As) on Section 6056 reporting (issued Aug. 29, 2014)
- IRS [Publication 5196: ACA—Reporting Requirements for Applicable Large Employers](#) (issued Feb. 9, 2015)

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