



- > Transition relief from Internal Revenue Codes 6055 and 6056
- > Information reporting provisions
- > Draft reporting forms released

TRANSITION RELIEF FROM IRS CODES 6055 AND 6056

The Internal Revenue Service (IRS) has granted transition relief for 2014 for the reporting requirements under Internal Revenue Code 6055 (Information Reporting), for large employers under Internal Revenue Code 6056, and the Employer Shared Responsibility provisions. No Employer Shared Responsibility payments will be assessed for 2014.

The transition relief provides employers, insurers, and other entities that provide minimum essential coverage additional time to adapt their health coverage and reporting systems. Both the information reporting and the Employer Shared Responsibility provisions take effect in 2015.

The transition relief from the information reporting and Employer Shared Responsibility provision being offered through 2014 does not affect the timing or application of other Affordable Care Act provisions.

Internal Revenue Code 6055 requires employers with minimum essential coverage (MEC) and those who provide coverage through an employer's group health plan to report that the taxpayers were covered under the MEC. Code 6056 requires large employers (employers with 50 or more full-time employees) to report information about the coverage they offer to the IRS and furnish related statements to employees.

INFORMATION REPORTING PROVISIONS

Under the Employer Shared Responsibility Provisions (§4980H), an applicable large employer generally must offer affordable, minimum value health coverage to its full-time employees. A shared responsibility payment may apply if one or more of its full-time employees receive a premium tax credit. The 6056 Information Reporting section of the IRS Code is integral to the administration of the Employer Shared Responsibility provisions, because

- an employer will not know whether a full-time employee received a premium tax credit, as the employer will not have all of the information needed to determine whether it owes a payment;
- the employer is not required to calculate a payment for IRS Code §4980H or file returns submitting such a payment.

Instead, after receiving the returns filed by large employers for 6056 and the information about employees claiming the premium tax credit for a given calendar year

- the IRS will determine whether any of the employer's full-time employees received the premium tax credit and,
- whether a payment is due under §4980H.

If the IRS determines that an employer owes a payment, it will contact the employer for a

Affordable Care Act Implementation Alert

The Affordable Care Act and your self-funded health plan

response.

For this reason, transition relief from 6056 is being granted for 2014 because it will be difficult to determine which employers owe Employer Shared Responsibility payments. An Employer Shared Responsibility payment will not be assessed for 2014.

DRAFT OF REPORTING FORMS

In addition, the IRS has released draft copies of reporting forms that show what coverage they offer employees, as required by the Affordable Care Act (ACA).

[Information Reporting of Minimum Essential Coverage for Individual Mandate Purposes](#): Internal Revenue Code 6055 requires employers with MEC to report information that will allow taxpayers to establish, and the IRS to verify, that the taxpayers satisfied the Individual Mandate. Statements must also be furnished to employees.

[Information Reporting for Large Employers](#): IRS Code 6056 requires large employers (employers with 50 or more full-time employees) to report to the IRS information about the coverage they offer. This will allow the large employer to establish, and the IRS to verify, that the employer satisfied the Shared Responsibility requirements. Statements must be furnished to employees.

Form 1095-B is for reporting 6055 information for small, self-insured employers and Form 1094-B is for transmitting the returns to the IRS.

- [Form 1095-B](#): Health Coverage
- [Form 1094-B](#): Transmittal of Health Coverage Information Return

Form 1095-C is for reporting 6055 and 6056 information for large self-insured employers and Form 1094-C is for transmitting the returns to the IRS.

- [Form 1095-C](#): Employer-Provided Health Insurance Offer and Coverage
- [Form 1094-C](#): Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

The draft forms do not include instructions. Do not use the draft versions for filing purposes. Public comments can be provided to the IRS at [Comments on Tax Forms and Publications](#).

Independence Administrators does not provide legal or tax advice. The final determination of whether the Plan Sponsor meets the requirements of the Affordable Care Act and other relevant regulations must be made by the Plan Sponsor in consultation with their own legal counsel or tax advisor.

