



And Its Affiliate HealthKeepers, Inc.

Health care reform at-a-glance – June 2014

Employer Mandate Reporting – IRS Code Section 6056

Background

The employer mandate provision of the Affordable Care Act (ACA or health care reform law) says “applicable large employers,” which are companies with 50 or more full-time workers, have to offer minimum value, affordable health coverage to their full-time workers or face a penalty.

To check if employers are offering minimum value, affordable coverage to their full-time workers, the Internal Revenue Service (IRS) needs reports to be sent by applicable large employers. This is called Employer Mandate Reporting, or IRS Code Section 6056 Reporting.

Who	<ul style="list-style-type: none"> • Applicable large employers * <i>Employers can hire third parties to do reporting for them but the company is legally responsible</i>
What	<ul style="list-style-type: none"> • Employer mandate data to the IRS using form 1094-B transmittal form <ul style="list-style-type: none"> ○ See below for reporting methods • Statements to workers using form 1095-C
When	<ul style="list-style-type: none"> • IRS reporting due starting in 2016 for 2015 coverage year and every year after <ul style="list-style-type: none"> ○ February 28 for paper filing ○ March 31 for electronic filing (e-file) <ul style="list-style-type: none"> ▪ Employers filing 250 or more returns must e-file • Statements to workers due starting in 2016 and every year after, by January 31 (like Forms W-2 or 1099)

Reporting Methods

The data reported depends on what reporting method the employer chooses. There is one general reporting method. There are also five alternative reporting methods. More information on these methods can be found in the Federal Register, [Section X](#) of the rule on [Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans](#).

1. Certification of Qualifying Offers
2. Certification of Qualifying Offers (2015 only)
3. Reporting without Separate Identification of full-time workers
4. Applicable Large Employers with Less than 100 full-time workers (i.e., employers with 50-99 full-time workers)
5. Combination of Alternative Reporting Methods

General Reporting Method

The general reporting method must be used unless the employer wants to use one of the alternative optional reporting methods for a certain subset of workers. The general method can be used even if some of the workers could be reported under one of the optional methods.

The general reporting method requires reporting of the eight information items listed below, and more information than what is listed through the use of indicator codes, which will likely be explained in the instructions for completing the reporting forms.



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1. Name, address, and employer identification number (EIN) of the employer, and the calendar year for which the information is reported
2. Name and telephone number of a contact person for the employer (can be a third party, acting on the employer's behalf)
3. Certification that the employer gave its full-time workers and their dependents the chance to sign up for minimum essential coverage (MEC), by calendar month
4. The number of full-time for each calendar month during the calendar year, by calendar month
5. For each full-time worker, the months during the calendar year that the worker had access to coverage
6. For each full-time worker, the worker's part of the lowest cost monthly premium for self-only coverage providing minimum value offered to the worker under an employer-sponsored plan, by calendar month
7. Name, address and social security number (SSN) for each full-time worker during the calendar year, and the months (if any) that the worker was covered under an employer-sponsored plan
 - a. The length of waiting periods does not need to be reported, but the IRS expects employers to report using a code to show that coverage was not offered to a worker during certain months because of a waiting period
8. Any other information required by the Secretary of Health and Human Services (HHS), or as required on forms or by instructions

Questions and Answers

Q. Will you file this report for employers?

A. No. Employers may use a third party to file the report, but the employer is responsible for the report being complete and correct.

Q. Will you send the statements to workers?

A. No. This is the employer's responsibility.

Q. If a worker does not have the employer-sponsored coverage, does their data need to be in the report?

A. Yes.

Q. If a worker or dependent died, does their data need to be in the report?

A. Yes, if the person was covered for any part of the year being reported on, their data needs to be included.

Q. When will the forms be available from the IRS?

A. The IRS has not said when they will make the forms available.

Q. Who fills out the form?

A. Employers that have self-funded (ASO) plans will fill out both parts of Form 1095-C, reporting MEC and employer mandate information. Employers with fully-insured plans will only fill out the part of Form 1095-C reporting information about the employer mandate. Employers will also fill out the information on Form 1094-B, the transmittal form.

Q. Who gets the "Statement of Minimum Essential Coverage"?

A. Each worker who has information reported on themselves and/or their dependents.

Q. Can the statements for workers be sent electronically, like W2 forms?

A. Yes, as long as consent is given by the worker and other requirements are satisfied. The IRS has established some detailed rules on electronic delivery of the statements.



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Q. How can the statements be given to workers?

A. By mail, email, or in person. Instructions have to be given for how to get and print the statement, and have to include "IMPORTANT TAX RETURN DOCUMENT AVAILABLE" in all capital letters. This must be the subject line if email is used.

Q. Are there exemptions or exceptions to the reporting requirements?

A. Yes, for certain reasons. Employers can apply for a 30-day extension to give workers the statement if they can show reasonable cause.

Q. Are there fines for not filing the reports?

A. Yes, but there will not be fines in the first year, 2016, if the employer filed the report but had incorrect or incomplete information on the form (like social security numbers or date of birth). The employer will have to file corrected reports.

Q. How are multi-employer plans reported?

A. A multi-employer plan administrator can report employer mandate data for an applicable large employer that contributes to a multi-employer plan. The plan administrator prepares returns on the full-time workers that are covered by a collective bargaining agreement and meet the rules to be part of the multi-employer plan. The employer will need to prepare returns for the rest of the full-time workers that are not part of the multi-employer plan. The applicable large employer has to file only one Form 1094-C for all its full-time workers.

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