



And Its Affiliate HealthKeepers, Inc.

Health care reform at-a-glance – June 2014

Minimum Essential Coverage (MEC) Reporting – IRS Code Section 6055

Background

The [individual shared responsibility provision](#) of the Affordable Care Act (ACA or health care reform law) says that every person has to have basic health insurance coverage or face a penalty. This is known as minimum essential coverage (MEC). Types of insurance that count as MEC are plans offered by an employer, COBRA coverage, retiree coverage, Medicare, Medicaid, Children's Health Insurance Program (CHIP), and health insurance a person buys from an insurance company direct, through the Health Insurance Marketplace, or through a student health plan.

To make sure people have MEC, the Internal Revenue Service (IRS) needs reports to be sent by those who provide MEC. This is called Minimum Essential Coverage Reporting, or IRS Code Section 6055 Reporting.

Who	<ul style="list-style-type: none"> • Employers with self-funded (ASO) health plans • Insurers (on fully-insured business) <p><i>* Employers can hire third parties to do reporting for them but the company is legally responsible</i></p>
What	<ul style="list-style-type: none"> • MEC data to the IRS using form 1095-C (see below for what data has to be sent) • MEC statements to workers using form 1094-B
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)

Data to be sent

- Employer name address and identification number (EIN) filing the report
- For self-funded (ASO) plans, the name, address and identification number (EIN) of the company sponsoring the plan
- Name, address, and social security number (SSN) of each worker and each dependent covered
 - Date of birth can be used if the worker will not give the SSN
- Each month the covered person had insurance, even if it was only one day of the month
- If the insurance is a qualified health plan (QHP) through the Small Business Health Options Program (SHOP) and the SHOP unique identifier number
- Any other information asked for on the form, in the instructions, or in published guidance

Questions and Answers

Q. Will you file this report for employers?

A. We will file Form 1095-B as the law requires of insurers. We will file the report for our fully-insured business. Self-funded (ASO) groups are responsible for filing their own report; a third party may be used, but the employer is responsible for the report being complete and correct.

Q. Will you get the data needed from workers?



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- A. We will ask members of fully-insured groups for the social security number for themselves and covered dependents. We will also ask people with our fully-insured individual coverage for their and their dependents' social security numbers, except if they have coverage through the Exchange. Self-funded (ASO) groups are responsible for getting the social security numbers from workers and their dependents.
- Q. Will you send the statements to workers?**
- A. We will send Form 1094-B to workers and people who have our fully-insured coverage (except for people who have individual coverage through the Exchange). Self-funded (ASO) groups are responsible for sending the statements to workers.
- Q. If a worker does not have the employer-sponsored coverage, does their data need to be in the report?**
- A. No.
- 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.
- 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. Electronic delivery must follow the [Department of Labor \(DOL\) rules on electronic disclosure](#).
- 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?**
- 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.

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