

Reporting Requirements - 6056

Summary

On March 10, 2014, the U.S. Department of the Treasury and IRS published final rules to implement the information reporting provisions for certain employers under the Affordable Care Act (ACA) that became effective in 2015. This snapshot summarizes the section 6056 reporting requirements.

Section 6056 reports will be used for two purposes. First, they will support compliance with the employer shared responsibility provision (employer mandate). Second, they will assist individuals in determining their eligibility for federal financial assistance (subsidy) through the Individual Health Insurance Marketplace, also called an Exchange.

Section 6056 applies to applicable large employers (ALE) who generally employ 50 or more full-time employees and full-time equivalents (FTE). It requires the reporting of information about the offer of coverage (if any) made to an employee, by month, including the employee's share of the lowest cost monthly premium. Employers subject to the employer mandate must furnish a statement to full-time employees on Form 1095-C and submit reports to the IRS.

Full-time employees are those who work at least 30 hours per week. An employer must also count FTEs by averaging hours worked by employees, including part-time and seasonal employees.


Self-funded employers subject to the employer mandate (6056 reporting) must report information on Form 1095-C. That form will allow self-funded employers to meet both the section 6055 minimum essential coverage (MEC) requirements, as well as the section 6056 employer responsibility requirements. Self-funded employers will include coverage information (MEC) on their Form 1095-C that will be used by employees in preparing their tax returns.

An ALE that provides fully insured coverage will also have to file Form 1095-C, but will only have to complete Parts I and II of Form 1095-C (employer and employee demographics). Through 6055 reporting, the health insurance issuer will report the coverage information to the IRS and furnish statements to subscribers on Form 1095-B.

ALEs, as defined in Section 4980H(c)(2), are required to file returns with respect to each full-time employee and to furnish a statement to each full-time employee by January 31 of the calendar year following the calendar year for which the return must be filed. However, for the first year of reporting, the IRS has automatically extended the deadline to March 31, 2016.

Section 6056 reporting return must show the following:

1. Name, address and Employer Identification Number (EIN) of the ALE
2. Name and telephone number of a contact person
3. Calendar year for which the information is reported
4. Certification as to whether the ALE offered full-time employees (and dependents) the opportunity to enroll in MEC under a plan by calendar month
5. The months during which coverage was available

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6. Each full-time employee's share of the lowest cost monthly premium (self-only) for coverage providing minimum value offered under a plan, by calendar month
 7. Number of full-time employees for each month during the calendar year
 8. Name, address, Social Security number (SSN) of each full-time employee during the calendar year and the months, if any, during which the employee was covered under the plan
 9. Any other information that may be specified

Section 6056 reports must be submitted to the IRS in either paper format by February 28, 2016 or electronic format by March 31, 2016. However, for the first year of reporting, the IRS has automatically extended the deadline to May 31, 2016 or if filed electronically, by June 30, 2016. Groups that file 250 or more returns will be required to file electronically. Each section 6056 return for a full-time employee is counted as a separate return.

Statements required to be furnished to full-time employees must show the name, address and EIN of the ALE, and all of the information summarized above that is reported to the IRS with respect to the full-time employee. The statements must be furnished to responsible individuals/full-time employees on or before January 31 of the year following the calendar year in which MEC is provided. However, for the first year of reporting, the IRS has automatically extended the deadline to March 31, 2016.

As a general rule, the statements must be sent to the employee's last known permanent address.

Section 6056 statements may be furnished to employees in the same mailing along with the W-2 Forms. We encourage our ALE customers to reduce compliance costs and explore ways to distribute their section 6056 statements as part of their W-2 Form mailings.

Statements may be furnished electronically so long as the employee affirmatively consents to receive the statement in electronic form. General consent to receive plan information electronically is not sufficient. The employee must be able to withdraw the consent and obtain a hard copy of the statement, as well as be informed about changes in the technology being used to furnish the statement.

Visit irs.gov to see frequently asked questions on 6056 reporting.