



Fully-Insured Employers Information Reporting for IRS Code Sections 6055 and 6056 FAQ (Frequently Asked Questions)

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What is section 6055 and 6056?

The Affordable Care Act created new reporting requirements whereby applicable large employers (ALE's) must provide information to the IRS about health coverage offered to full time employees.

What is an Applicable Large Employer (ALE)?

An ALE generally means employers with 50 or more full-time employees (including full-time equivalent employees) in the preceding calendar year.

I have less than 50 full-time employees (including full-time equivalent employees) in the preceding calendar year. Do I need to do anything?

As long as you do not sponsor a self-insured group health plan you are not required to file under sections 6055 and 6056.

I am considered an ALE and we offer our employees a plan under Blue Cross Blue Shield of Wyoming (BCBSWY). What tax forms will BCBSWY be providing to our employees and what will we need to provide?

BCBSWY will be issuing a 1095-B to all participants who had coverage with BCBSWY annually. Additionally, you as a fully-insured employer, will be required to provide to each full-time employee a completed Form 1095-C (or a substitute form). This form must be furnished

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regardless of whether the ALE offers coverage, or the employee enrolls in any coverage offered. An ALE is not required to furnish to its full-time employees a copy of Form 1094-C as filed with the IRS.

What tax forms must an ALE fully-insured employer report to the IRS?

The section 6056 regulations provide, under the general method of reporting, that an ALE must file a separate Form 1095-C (or a substitute form) for each of its full-time employees, and a transmittal on Form 1094-C (or a substitute form) for all of the returns filed for a given calendar year. These forms must be filed regardless of whether the ALE offers coverage, or the employee enrolls in any coverage offered. A more complete discussion of the information that must be reported to the IRS (including simplified methods of reporting) can be found in the final section 6056 regulations, in the final section 6055 regulations, and in the instructions to Form 1094-C and Form 1095-C.

The section 6056 required information also may be made by filing a substitute form, but the substitute form must include all of the information required on Form 1094-C and Form 1095-C and satisfy all form and content requirements as specified by the IRS.

Will BCBSWY collect TINs from individuals, including dependents, covered under its plan or policy?

Yes. Reporting of TINs for all covered individuals is necessary for the IRS to verify an individual's coverage. If BCBSWY is unable to obtain a TIN after making a reasonable effort to do so, the covered individual's date of birth may be reported in lieu of a TIN.

Will we, as an ALE, complete Part III of Form 1095-C?

An ALE that offers coverage through an employer-sponsored insured health plan (and does not sponsor a self-insured health plan) should NOT complete Part III. Instead, information about coverage will be furnished to employees on Form 1095-B, which is filed by BCBSWY.

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Where can I find these forms?

The links for the forms and instructions are below:

- [Form 1094-B, Transmittal of Health coverage Information Returns](#)
- [Form 1095-B, Health Coverage](#)
- [Form 1095-B and 1094-B Instructions \(HTML\)](#)

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

What happens if we don't offer coverage to our employees?

If an ALE does not offer coverage or offers coverage to fewer than 95% of its full-time employees (and their dependents), it owes an Employer Shared Responsibility payment equal to the number of full-time employees the employer employed for the year (minus up to 30) multiplied by \$2,000 (as adjusted), as long as at least one full-time employee receives a premium tax credit. (Note that for purposes of this calculation, a full-time employee does not include a full-time equivalent).

For an employer that offers coverage to at least 95% of its full-time employees (and their dependents), but has one or more full-time employees who receive a premium tax credit, the payment is computed separately for each month. The amount of the payment for the month equals the number of full-time employees who receive a premium tax credit for that month multiplied by 1/12 of \$3,000 (as adjusted). The amount of the payment for any calendar month is capped at the number of the employer's full-time employees for the month (minus up to 30) multiplied by 1/12 of \$2,000 (as adjusted). The cap ensures that the payment for an employer that offers coverage can never exceed the payment that employer would owe if it did not offer coverage.