



## Self-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) and self insured employers must provide information to the IRS about health coverage offered to full time employees.

### For self-insured group health plan coverage, who is the plan sponsor that must report under section 6055?

- For a self-insured group health plan maintained by a single employer, the plan sponsor is the employer. For a plan maintained by more than one employer that is not a multiemployer plan (as defined in ERISA) the plan sponsor is each participating employer. For purposes of identifying the employer, the section 414 employer aggregation rules do not apply.
- For a plan that is a multiemployer plan (as defined in ERISA), the plan sponsor is the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.
- For a plan maintained solely by an employee organization, the plan sponsor is the employee organization.
- For any plan for which a plan sponsor is not identified above, the plan sponsor is the person designated by a plan terms or, if no person is designated, each entity that maintains the plan.



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### **Must a government employer report under section 6055 if it maintains a self-insured health plan?**

Yes. However, unless prohibited by other law, a government employer that maintains a self-insured group health plan may designate a related governmental unit, or an agency or instrumentality of a governmental unit, as the person to file the returns and furnish the statements for some or all individuals covered under that plan.

### **What information must a self-insured group health plan sponsor report to the IRS?**

The information that a plan sponsor must report to the IRS includes the following:

- The name, address, and employer identification number (EIN) of the provider of health insurance coverage;
- The responsible individual's name, address, and TIN, or date of birth if a TIN is not available;
- The name and TIN, or date of birth if a TIN is not available, of each individual covered under the policy or program and the months for which the individual was enrolled in coverage and entitled to receive benefits; and

### **Will a self-insured group health plan provider 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. Upon request, BCBS of WY will provide a listing of the TINs on file. It is the responsibility of the self-insured employer to acquire any missing TINs. BCBS of WY will not provide this solicitation. BCBSWY makes no guarantee as to the accuracy of the TIN on file, or of any TIN's entered post solicitation.

If health coverage providers are 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.

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

**My company provides a self-insured group health plan. However, we have fewer than 50 employees, am I required to file the 1095-B and 1094-B?**

Yes, if you are a plan sponsor of a self-insured group health plan you are required to report under section 6055, even if you have fewer than 50 full-time employees. However, you are not required to file a 1095-C and 1094-C under section 6056.

**My company provides a self-insured group health plan and I have over 50 employees. Does an employer that must file returns under section 6055 as a provider of self-insured health coverage to its employees and under section 6056 as an applicable large employer file combined information returns and statements?**

Yes. An applicable large employer, as defined in the employer shared responsibility provisions under section 4980H, that provides self-insured coverage is subject to the reporting requirements of both section 6055 and section 6056. To streamline and prevent duplication under each reporting requirement, applicable large employers with self-insured coverage will combine section 6055 and section 6056 reporting. An applicable large employer member with self-insured coverage will report on Form 1095-C, completing separate sections to report the information required under sections 6055 and 6056. An applicable large employer member that provides insured coverage will complete only the section of Form 1095-C that reports the information required under section 6056. Entities reporting as health insurance issuers, sponsors of self-insured group health plans that are not applicable large employers, sponsors of multi-employer plans, and providers of government-sponsored coverage, will report under section 6055 on Form 1094-B and Form 1095-B.

**What forms will be filed when a multiemployer plan is involved?**

The multiemployer plan will report the coverage on Form 1095-B. If an employer is offering health coverage to employees through a multiemployer health plan, the issuer of the insurance or the sponsor of the plan providing the coverage is required to furnish the information about their health coverage to any enrolled employees, and the employer should not complete Form 1095-C, Part III, for those employees.



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### **I have a self-insured health plan that BCBS of WY is the TPA. Will BCBS of WY complete the 6055 requirements for me?**

No, BCBS of WY would not be considered the plan sponsor and will not be able to complete the requirements of section 6055 for you or on your behalf. This includes the 1095 and 1094 filings. If requested, BCBS of WY will provide information that will help complete parts I and III, but the plan sponsor will still be responsible for part II. However, this information may not be complete and BCBS of WY will have not performed any TIN solicitation on your behalf.

### **What is the penalty if these forms are not filed?**

Employers that do not submit an annual IRS return or provide individual statements to all full-time employees may be subject to a penalty up to \$260 per return, with a maximum annual penalty of \$3.193 million.

Limited relief is also available for returns and statements filed or furnished in 2016 (for 2015 coverage) if incorrect or incomplete information is reported.

### **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](#)

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### **If a plan sponsor does not furnish a TIN, will it be subject to penalties?**

A plan sponsor will not be subject to a penalty if it demonstrates that it properly solicits the TIN but does not receive it. Under these rules, the reporting entity must make an initial solicitation at the time the relationship with the employee is established. If the reporting entity does not receive the TIN, the first annual solicitation is generally required by December 31 of the year in which the relationship with the payee begins. Generally, if the TIN is still not provided, a second solicitation is required by December 31 of the following year. If a TIN is still not provided, the reporting entity need not continue to solicit a TIN and may report a date of birth in lieu of the TIN.

### **An Employee was only on the health insurance part of the month. Do I count the full month on the 1095-B?**

Yes, generally a member only has to have coverage for at least 1 day to be given credit for the applicable month.

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

If an Applicable Large Employer (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).

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

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.