

## Reporting Requirements - 6055 FAQs

### Summary

On March 10, 2014, the U.S. Department of the Treasury and IRS published final rules to implement the information reporting provisions for insurers and certain employers under the Affordable Care Act (ACA) that take effect in 2015. Employers who provide minimum essential coverage (MEC) during a calendar year are required to report to the IRS certain information about individuals covered by MEC and also to provide a statement to those individuals.

Section 6055 reporting is the required reporting to the IRS of information relating to covered individuals that have been provided MEC by health insurance issuers (issuers), certain employers, and other entities that provide MEC. A statement disclosing MEC information must also be furnished to responsible individuals (i.e., subscriber).

### Dependents

**In the case of a dependent (spouses, adult child) who is over 18 years old, does that mean we have to generate a separate statement for that dependent in case they file a separate tax return?**

Under the final IRS rules, we are required to furnish statements to responsible individuals under the law. That term generally means the primary insured or other person named on an application who enrolls one or more individuals in MEC. While the rules do not require that statements be furnished to persons other than the responsible individual covered under the policy, the IRS has indicated that responsible individuals should provide a copy to individuals covered under the policy if they request it for their records. Look for updated information in the future.

### Forms

**What is the difference between Form 1095-B and Form 1095-C?**

Both forms are similar since they both will be used to report information to the IRS and to furnish information to taxpayers about their coverage. Both forms contain identifying information about the employee or policy holder (i.e., the responsible individual) that is the primary subscriber of the MEC. In addition, in the case of employer-provided coverage, both forms will include the name, address, phone number and Employer Identification Number (EIN) of the employer sponsoring the coverage. Finally, both forms include identifying information about the health issuer or other entity that provides the coverage on behalf of the employer. The coverage information will be used by employees (and family members) to report on their tax returns that they had MEC for some or all months of the year.

The primary difference between the two forms is that Form 1095-C will be used by employers with 50 or more covered full-time employees (including full-time equivalents) that are subject to the employer responsibility provisions. Form 1095-C contains information about the offer of health insurance coverage made to employees, the employee's share of the lowest cost premium and other information related to the employer responsibility provisions. Information from Form 1095-C will be used by individuals that purchased health insurance coverage through an Individual Health Insurance Marketplace, also called an Exchange, to determine if they are eligible for a premium tax credit. The table on the next page shows an at-a-glance summary of the forms.

Individual/Group Type	Required Form 6055 Reporting (Insurer Responsibility)	Required Form 6056 Reporting (Employer Responsibility)
Individual (on-Marketplace)	N/A (1095-A sent by Marketplace)	N/A
Individual (off-Marketplace)	Form 1095-B	N/A
Small group fully insured (both SHOP Marketplace and off-Marketplace)	Form 1095-B	N/A
Small group self-funded	Form 1095-B (sent by employer)	N/A
Applicable large employer (fully insured)	Form 1095-B	Form 1095-C Sections I, II
Applicable large employer (self-funded)	N/A	Form 1095-C All sections (6055 + 6056)

Form 1095-B is the return used for reporting MEC under section 6055 to the IRS and for furnishing coverage information to covered individuals. (Form 1095-B is transmitted to the IRS using Form 1094-B.) Insurance issuers, in both the individual and group markets, must file Form 1095-B, except in the case of coverage obtained through the Individual Marketplaces. (Issuers will file Form 1095-B for coverage obtained through a Small Business Health Options Program (SHOP).)

- Self-funded employers that do not have 50 or more full-time employees (including full-time equivalent employees) and are not subject to the IRS shared responsibility provisions will use the Form 1095-B to report their MEC to the IRS. Other entities that provide MEC such as sponsors of multiemployer plans, and providers of government-sponsored coverage (Medicare, Medicaid, CHIP, TRICARE) will also report their MEC to the IRS on Form 1095-B.
- Form 1095-C is to be used by employers with 50 or more full-time employees (including full-time equivalent employees) known as applicable large employer (ALE) members to report information required under section 6055 and 6056 to the IRS. Form 1095-C must also be furnished to covered employees. (Form 1095-C is transmitted to the IRS using Form 1094-C.) This form is required to be used by ALEs for the combined reporting of MEC (under section 6055) and the offer of coverage (under section 6056) to the IRS. The form will be used by:
  - ALE members that sponsor a self-funded plan: The employer completes Parts I and III of the 1095-C for any employee that enrolls in the health coverage, whether or not the employee is a full-time employee. If the employee is a full-time employee, the employer must also complete Part II. Part II of the form includes information about the offer of coverage that was made to the employee, the employee's share of the lowest cost monthly premium, and other employer responsibility information.
  - ALE members that provide fully insured coverage: The employer completes Parts I and II of Form 1095-C, but does not complete Part III of the form. Part III of the form reports information about the MEC and will be separately reported to the IRS by the entity providing the coverage, such as the health insurance issuer.



## **Issuers and Self-funded Employers**

### **What information must be reported to the IRS?**

Section 6055 reporting requires those groups that provide MEC (e.g., insurers, self-funded employers) to file an informational return to the IRS that provides basic identifying information about persons that have been provided MEC, and the months for which the person was covered for at least one day.

### **Whose compliance obligation is it to submit reports to the IRS?**

UnitedHealthcare will be required to submit reports on behalf of fully insured groups. Self-funded groups of 50 or more are required to submit reports for themselves.

### **What information about an individual needs to be reported on the information return?**

Section 6055 requires the name, address, and Social Security numbers (SSNs) for all covered individuals (including spouses and dependents) be reported to the IRS. The report must also include the months for which the individual was enrolled in coverage for at least one day. This information allows the IRS to verify that a particular individual has MEC. In the case of fully insured group health coverage, issuers are also required to report the name of the employer, address and Employer Identification Number (EIN).

### **Why does this information need to be reported to the IRS?**

The information reported to the IRS under section 6055 will be used to verify that the individual has been provided with MEC and has satisfied the individual mandate for the prior calendar year. Responsible individuals will use this information to avoid paying an additional tax when they prepare their tax returns.

### **When does the information need to be submitted to the IRS?**

The insurers (in the case of fully insured group plans) and employers or other sponsors (in the case of self-funded plans) must make annual filings to the IRS and furnish statements to individuals reflecting the months during the preceding calendar year that an individual and his or her dependents had at least “minimum essential coverage” under the group health plan. Reporting will begin in 2016 for the 2015 calendar year. Reports are due to the IRS by February 28, 2016 or March 31, 2016 (if electronic).

### **How are the reports submitted to the IRS?**

Reports can be submitted to the IRS in either paper format by February 28, 2016 or electronic format by March 31, 2016. Groups that file 250 or more returns will be required to file electronically.

### **When do statements need to be furnished to responsible individuals (subscribers)?**

Statements must be furnished to responsible individuals on or before January 31, 2016 for the first year, and the year following the calendar year for subsequent years, of the year following the calendar year in which MEC is provided. The IRS may grant an extension of time up to 30 days for the provider to furnish the statement.

### **What information must be reported to responsible individuals?**

Section 6055 requires that entities that provide MEC also furnish responsible individuals (i.e., subscribers) with a statement that includes the information that was provided to the IRS as well as the phone number for the entities' contact person. Responsible individuals will use this information to avoid paying an additional tax when they prepare their tax returns. Statements must be furnished to responsible individuals no later than January 31 of the year following the coverage year.

## What type of coverage is considered MEC?

MEC is generally any government or employer-sponsored health plan, or individual health insurance coverage, except for excepted benefits and similar limited coverage. MEC includes coverage from one of the following sources:

- Medicare
- Medicaid or the Children's Health Insurance Program (CHIP)
- TRICARE
- Veteran's health program
- An employer's plan, including grandfathered plans, fully insured or self-funded
- Health insurance plan purchased through the Exchanges, also called Health Insurance Marketplaces
- Individual health insurance coverage purchased outside of the Exchanges
- A grandfathered health plan in effect prior to 2014
- Such other health benefit coverage, such as State health benefits risk pool, as the Secretary of Health and Human Services and Secretary of the Treasury, recognize

## Does Medicare, Medicaid, Children's Health Insurance Program (CHIP) coverage need to be reported by the issuer?

No. Under the final regulations, the responsible government department or agency and not the issuer is the entity responsible for reporting coverage to the IRS.

## Do supplemental plans need to be reported?

No. MEC that supplements a primary plan from the same plan sponsor or that supplements government-sponsored coverage, such as Medicare, is supplemental coverage not subject to reporting. This means that Medicare Supplemental products, such as Medicare Supplemental coverage provided by UnitedHealthcare to AARP members (sometimes called Medigap) is exempt from the reporting obligation.

## Do wellness programs need to be reported?

Wellness programs that are an element of other MEC (such as wellness programs offering reduced premiums or cost-sharing under a group health plan) are not subject to the reporting obligation.

## Marketplaces

### If UnitedHealthcare coverage is obtained from a Marketplace, does that need to be reported by UnitedHealthcare?

Issuers are not required to report individual coverage obtained through an Individual Marketplace. Issuers are, however, required to report coverage obtained through the Small Business Health Options Program (SHOP).

## Social Security Number (SSN) Solicitation

### What methods of contact may be used to obtain an SSN?

Section 6055 reporting is subject to the same rules as other information reporting such as the Form 1099. The reporting entity may generally make an SSN solicitation using the following contact methods:

- orally (by phone or in person)
- in writing (including using an application)
- by electronic means such as email.

### How often must a solicitation be made to obtain an SSN and fulfill reasonable efforts?

The reporting entity makes an initial solicitation at the time the relationship with the payee is established. In the case of an issuer, this may be when the individual is first covered. In the case of a self-funded plan, this may be when the individual is first hired. However, the reporting entity is not required to make this initial solicitation if it already has the payee's SSN and uses that SSN for all relationships with the payee.



If the reporting entity does not receive the SSN, the first annual solicitation is generally required by December 31 of the year in which the relationship with the payee begins (January 31 of the following year if the relationship begins in December). Generally, if the SSN is still not provided, a second solicitation is required by December 31 of the following year. If an SSN is still not provided, the reporting entity has acted in a responsible manner and need not continue to solicit an SSN.

For example, a reporting entity that makes an unsuccessful initial solicitation for an SSN in December 2014 must make a second solicitation by December 31, 2015. Assuming that request is also unsuccessful, the reporting entity would not be penalized if its section 6055 reporting submitted in early 2016 reported a date of birth in place of SSN for the individual in question. One additional solicitation must be made by December 31, 2016, to have acted in a responsible manner.

Inclusion of the name of the covered individual and the SSN means that the IRS will be able to compare information disclosed on the section 6055 report with the individual's tax return (Form 1040).

The IRS has indicated that it will provide guidance to foreign employers without EINs as part of future rulemaking.

### **What if an individual does not have an SSN?**

When UnitedHealthcare is provided with information that an individual does not have an SSN, we are not required to solicit the SSN. In those circumstances, we are permitted to report the coverage with a date of birth (in lieu of an SSN).

### **Can coverage be terminated if an individual does not provide an SSN?**

No. The rule prohibits the termination of coverage if an SSN is not provided.

### **Will UnitedHealthcare enroll new members that do not have an SSN?**

Federal law requires that we solicit SSNs from our members at the time of enrollment. We believe that covered members have a strong incentive to provide us with an SSN so they can establish that they have health insurance and avoid the individual shared responsibility payment.

In the case of new enrollees that do not have an SSN, UnitedHealthcare expects to have a process that allows them to enroll, but asks that they furnish us with a written statement indicating that they do not have an SSN.