

## ACA COMPLIANCE UPDATE:

# ALE GROUP 6056 REPORTING

50 FTEs OR MORE

**Why does 6056 Reporting matter?** The IRS and other governing agencies will use this reporting to enforce the Employer Mandate and verify eligibility for premium tax credits.

**Who must report?** All Applicable Large Employers (ALE) must complete this reporting whether or not they provide health coverage.

**I'm a large employer, what do I have to do?** The reporting is similar to an employer issuing W-2s. An issuer or employer will fill out a unique IRS Form 1095-C and furnish it to each employee by the new extended deadline of **March 2, 2020**.

Form (1094-C) transmittal form along with (1095-C) are required to be submitted to the IRS by **February 28, 2020** or **March 31, 2020** if done electronically.

## 2019 Employer Reporting Requirements

### 6056-Applicable Large Employer (ALE):

Requires ALEs to provide full-time equivalents (FTEs) and the IRS with information regarding an offer of health plan coverage during the calendar year. Information in this report is used to administer the Employer Mandate.

### Reporting Under Section 6055:

Requires "C" forms 1094-C and 1095-C to be filed and are used by ALEs to report offers of coverage to FTEs to satisfy the employer mandate and by self-insured ALEs to report MEC

1094-C- Transmittal Form – Cover page for submission of all Forms 1095-C to the IRS

1095-C- Identifies a FTE and information regarding the offer of coverage; also provides information on employees/individuals and family members covered by the self-insured plan. To be supplied to employee by carrier or employer. (Check Employer Obligations Chart)

**Are you sure this applies to me?** Any employer providing a Fully Insured or a Self-Funded plan for groups with 50 FTEs or more are required to report forms 1094-C and 1095-C.

## QUESTIONS

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### **Do you have less than 50 FTEs?**

Small Group Employers (as defined by the IRS) with an HRA/MERP plan that is wrapped with a fully-insured plan are not required to complete this reporting.

### ***What information do I need to report?***

Information needed to complete this reporting will include:

- Employee Name, SSN & Address
- Employer Name, EIN, Address & Phone Number
- Months that Coverage was or was not offered to the employee
- Offer of Coverage (Was it Minimum Essential Coverage? Did it meet Minimum Value? Was it offered to dependents? Was employee contribution 9.86% or less than Federal Poverty Level?)
- Cost of employee contribution for lowest cost, self-only plan
- Employee Status/Enrollment
- Member information for Self-Insured Coverage



# Employer Reporting Obligations

## Employer to Employees

	What Form/Parts?	To Whom?	When?
<b>E.D.I.S. HRA/MERP + Fully Insured, 50 or more FTEs</b>	Form 1095-C (parts I and II)	All FTEs	January 31, 2020 (Extended to March 2, 2020)
<b>MEC, EDHP Stop-Loss, 50 or more FTEs</b>	Form 1095-C (all parts)	All FTEs and all covered employees/individuals	January 31, 2020 (Extended to March 2, 2020)

**Example: I have 50 employees or more and use an HRA/MERP to fund the deductible on my group's Anthem plan, do I have to file anything?** You need to file form 1095-C and fill out parts I and II and furnish to all FTEs.

**Example: I have 50 or more employees on a MEC or EDHP™ Stop Loss, do I have to file anything?** You do need to file form 1095-C and fill out all parts, Employer is responsible for filing this form.

## Employer to IRS

	What Form?	When?	
<b>E.D.I.S. HRA/MERP + Fully Insured, 50 or more FTEs</b>	<ul style="list-style-type: none"><li>Form 1094-C (transmittal form)</li><li>All Forms 1095-C</li></ul>	February 28, 2020 (March 31, 2020 if filing electronically)	
<b>MEC, EDHP™ stop-loss, 50 or more FTEs</b>	<ul style="list-style-type: none"><li>Form 1094-C (transmittal form)</li><li>All Forms 1095-C</li></ul>	February 28, 2020 (March 31, 2020 if filing electronically)	

**Example: I have 50 employees or more and use an HRA/MERP to fund the deductible on my group's Anthem plan, do I have to file anything to the IRS?** You need to file forms 1094-C and 1095-C and submit to IRS.

**Example: I have 50 or more employees on a MEC or EDHP™ Stop Loss plan to help fund the deductible, do I have to file anything?** You do need to file forms 1094-C and 1095-C, Employer is responsible for filing these forms as they are the plan sponsors and there is no carrier to file on their behalf.

This summary is intended to convey general information. This information is subject to change as guidance develops. E.D.I.S. does not provide legal or tax advice. For advice specific to your situation, please consult an attorney or other professional. CA Insurance License #0M76879



# Indicator Codes for Employee and Coverage

The following codes show some of the information required to complete form 1095-C. knowing these requirements will be useful as you prepare for your reporting throughout the year.

**Employer Offer:** One of these codes will be required for each calendar month regardless of the employee's full-time status and must reflect what the employee was (or was not) offered for the month.

1A	Qualifying Offer: Minimum essential coverage providing minimum value offered to full-time employee with employee contribution for self-only coverage equal to or less than 9.5% mainland single federal poverty line and at least minimum essential coverage offered to spouse and dependent(s).
1B.	Minimum essential coverage providing minimum value offered to employee only.
1C.	Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) (not spouse).
1D.	Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to spouse (not dependent(s)). Do not use code 1D if the coverage for the spouse was offered conditionally. Instead, use code 1J.
1E.	Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage offered to dependent(s) and spouse. Do not use code 1E if the coverage for the spouse was offered conditionally. Instead, use code 1K.
1F.	Minimum essential coverage NOT providing minimum value offered to employee, or employee and spouse or dependent(s), or employee, spouse and dependents.
1G.	Offer of coverage for at least one month of the calendar year to an individual who was not an employee for any month of the calendar year or to an employee who was not a full-time employee for any month of the calendar year (which may include one or more months in which the individual was not an employee) and who enrolled in self-insured coverage for one or more months of the calendar year.
1H.	No offer of coverage (employee not offered any health coverage or employee offered coverage that is not minimum essential coverage which may include one or more months in which the individual was not an employee).
1J	Minimum essential coverage providing minimum value offered to employee and at least minimum essential coverage conditionally offered to spouse; minimum essential coverage not offered to dependent(s).
1K	Minimum essential coverage providing minimum value offered to employee; at least minimum essential coverage offered to dependents; and at least minimum essential coverage conditionally offered to spouse. (See Conditional offer of spousal coverage, earlier, for an additional description of conditional offers.)

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**Employee Coverage:** One code should be entered for each calendar month for each employee.

2A.	Employee not employed during the month.
2B.	Employee not a full-time employee.
2C.	Employee enrolled in health coverage offered.
2D.	Employee in a section 4980H(b) Limited Non-Assessment Period.
2E.	Multiemployer interim rule relief.
2F.	Section 4980H affordability Form W-2 safe harbor.
2G.	Section 4980H affordability federal poverty line safe harbor.
2H.	Section 4980H affordability rate of pay safe harbor.

Complete instructions for this Form 1095-C are available at [www.irs.gov](http://www.irs.gov)

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