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# ***THE GROUP BENEFIT NEWS BULLETIN***

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## **Updates on Health Care Reform**

### **IRS Releases Final 2015 1094, 1095 Forms; Additional HRA Reporting Guidance**

On September 17<sup>th</sup>, 2015, the IRS released the final versions of the 2015 ACA reporting forms for section 6055 & 6056 (forms 1094, 1095). In addition to the final forms, updated instructions regarding filing procedures were also finalized, along with anticipated guidance regarding HRA reporting.

Final versions of the reporting forms and instructions can be found through the following links:

#### **Section 6055**

Health Coverage 1095-B Instructions & Form: <http://www.irs.gov/uac/About-Form-1095-B>

IRS Transmittal 1094-B Instructions & Form: <http://www.irs.gov/uac/About-Form-1094-B>

#### **Section 6056 (these combined forms also satisfy 6055 reporting of MEC)**

Employer-Provided Health Coverage and Offer 1095-C Instructions & Form: <http://www.irs.gov/uac/About-Form-1095-C>

IRS Transmittal 1094-C Instructions & Form: <http://www.irs.gov/uac/About-Form-1094-C>

#### **Background:**

**Section 6055** requires those providing Minimum Essential Coverage to submit the necessary documents to the IRS. Examples: Fully Insured Coverage = The Carriers; Self Funded = Employer; Government Sponsor Programs = Agency that provides coverage, e.g. Department of Defense = TRICARE.

**Section 6056** relates to reporting requirements of Applicable Large Employers subject to the Employer Shared Responsibility Provision., with respect to the record of coverage offering to eligible employees.

Employers are to report at the end of each calendar year, the offering of affordable health coverage to employees and their dependents to the IRS, as well as providing a copy to the employee. Most of the content of these forms will be very familiar to Employers that are comfortable with the 2014 versions, finalized earlier this year. The minor revisions to the form include some line re-placement and information integration.

Employers who have been granted transitional relief for 2015 (e.g., employers with 50-100 FTEs) from the Employer Mandate will still be required to file the necessary returns to the IRS indicating the transitional relief that applies to them.

The final instructions are similar to the 2014 and 2015 draft versions, but include updated guidance on a few key issues, including:

- Extensions of time to file returns with the IRS and furnish statements to individuals – automatic 30-day extension of time to file returns with the IRS through completion of [Form 8809](#), and filers may request an extension of time to furnish the individual statements by sending a letter to the IRS, postmarked by the due-date for the statements (January 31<sup>st</sup>). Reporting entities may also receive a waiver from the requirement to file electronically (required for filers of 250 or more 1095-Cs) by submitting [Form 8508](#).
- Relief from separate Section 6055 reporting for many health reimbursement arrangements (HRAs) – An employer with a self-insured major medical plan and an HRA is only required to report coverage under one of the arrangements. An employer with a fully-insured major medical plan and an HRA is not required to report

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coverage if the individual is only eligible for the HRA due to their enrollment in the fully-insured major medical plan. However, employers will still be required to report the HRA coverage for any individual who is not enrolled in the employer's major medical plan.

- Example of the Qualifying Offer Method – many Employers who are eligible for this method will choose this alternative as a simplified option, thus should reference this for clarification.
- COBRA enrollees – The offer of COBRA continuation of coverage to a former employee upon termination should not be reported as an offer of coverage, even if the employee elects the coverage. Employers should use Code 1H (no offer of coverage) for the months where continuation of coverage is applicable.

Employers need to make certain that the information being requested on the forms can be captured by current processes and systems, otherwise Employers may need to make adjustments to do so prior to the 2016 deadlines for reporting.

As always, TBPG will continue to monitor all updates and keep you informed of any pertinent information. If you have any questions, please contact your TBPG representative.

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