Final regulations released on minimum essential coverage reporting (Sec. 6055)

Update to previous alert from July 26, 2013: IRS issues formal notice delaying employer mandate and coverage reporting until 2015

May 19, 2014

On March 5, 2014, the U.S. Department of the Treasury and the Internal Revenue Service (IRS) released final rules to implement the information reporting requirements for insurers and certain employers under the Affordable Care Act (ACA).

These final rules are meant to simplify the process of information reporting to the IRS while making it easier for employers and insurers of all sizes to provide quality, affordable health coverage.

Reporting requirements under IRS Section 6055 affect health insurance issuers, employers, government entities and other persons that provide minimum essential coverage to individuals. Section 6055 requires annual reporting of the following information to the IRS and to individuals:

- Name, address, and employer identification number for the entity required to file a return;
- Name, address and taxpayer identification number (SSN/ITIN/TIN) of the policy holder and each individual covered under the policy
- Date of birth if taxpayer identification number is not available;
- Months for which, for at least one day, the individual was enrolled in coverage and entitled to receive benefits; and
- If minimum essential coverage is provided by a health insurance issuer through a group health plan:
  - Name, address, and EIN of the employer sponsoring the plan; and
  - Whether the coverage is a qualified health plan enrolled in through the Small Business Health Options Program and the SHOP’s unique identifier.
The final rule provides penalty relief for 2015 information (reported in 2016) if filers show they made a good faith effort to comply with information reporting requirements. However, this relief is not available for entities that fail to file accurate returns or provide accurate statements.

The required reporting form (Form 1095-B) will be released in draft form in the near future. Reports must be filed with the IRS by February 28 (March 31 if filed electronically) and statements must be provided to responsible individuals on or before January 31 of each year.

This rule is applicable to calendar years beginning after December 31, 2014. The first reporting will occur in 2016 for 2015 plan years.

More information can be found at:

- Final regulations
- Treasury Department fact sheet

The information in this document is based on preliminary review of the national health care reform legislation and is not intended to impart legal advice. The federal government continues to issue guidance on how the provisions of national health reform should be interpreted and applied. The impact of these reforms on individual situations may vary. This overview is intended as an educational tool only and does not replace a more rigorous review of the law's applicability to individual circumstances and attendant legal counsel and should not be relied upon as legal or compliance advice. As required by US Treasury Regulations, we also inform you that any tax information contained in this communication is not intended to be used and cannot be used by any taxpayer to avoid penalties under the Internal Revenue Code.