

FYI[®] Alert

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IRS Releases Draft Forms for ACA Reporting

Yesterday, the IRS released draft forms relating to the ACA information reporting requirements, which go into effect for the 2015 calendar year. The IRS will use the information from the forms to enforce the individual and employer shared responsibility requirements and to administer the low-income subsidies provided to eligible individuals who purchase coverage in the public marketplace. The draft forms were released without instructions which are expected in August. The IRS is seeking comments on the forms. With the release of these forms, employers can further address this important reporting requirement.

Background

The ACA added two significant reporting requirements to the Internal Revenue Code (Code) to help the IRS enforce the individual and employer shared responsibility requirements (see our [April 17, 2014 FYI In-Depth](#)) and to administer low-income subsidies for coverage purchased in the marketplace:



- **Code section 6055 reporting.** For each individual to whom they provided minimum essential coverage, insurers, sponsors of self-insured plans, governmental entities, and other parties must annually report information to the IRS and to the individual. This reporting is intended primarily to support the IRS enforcement of the individual mandate.
- **Code section 6056 reporting.** Large employers subject to the “shared responsibility” provisions of the ACA must annually report information to the IRS and each individual about the health care coverage provided to full-time employees. This reporting will support IRS enforcement of the employer shared responsibility provisions. The individual statement will be used by employees to determine eligibility for low-income subsidies to purchase coverage in the public marketplace.

Both reporting requirements are effective for coverage provided on or after January 1, 2015, with the first information returns to be filed with the IRS and provided to individuals in early 2016. The IRS issued final section 6055 and 6056 reporting regulations in March of this year. (See our [March 6, 2014 FYI Alert](#).) Buck has prepared a [summary](#) of the final regulations on the reporting requirements.

Draft Reporting Forms

On July 24, the IRS released draft forms for this section 6055 and 6056 information reporting:

- [Form 1095-B](#): Health Coverage
- [Form 1094-B](#): Transmittal of Health Coverage Information Returns
- [Form 1095-C](#): Employer-Provided Health Insurance Offer and Coverage
- [Form 1094-C](#): Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns

Form 1095-B is for reporting the section 6055 information and Form 1094-B is for transmitting the returns to the IRS. Form 1095-C is for reporting section 6056 information, with Form 1094-C for transmitting the returns to the IRS.

The forms have been released in draft version only and are not to be used for filing purposes. Instructions were not included with the forms, and are not anticipated to be released until sometime in August. Comments on the draft forms can be provided to the IRS on the IRS website at [Comment on Tax Forms and Publications](#).

In Closing

The collection of the necessary data and preparation of the forms will require a significant effort for many employers. These draft forms offer another piece in the reporting puzzle that employers can use to determine how they will comply with the reporting requirement and coordinate preparation with their service providers and internal staff. However, until instructions are issued, the use of the forms is limited. Final forms are expected by year end.

Authors

Richard Stover, FSA, MAAA
Sharon Cohen, JD

Produced by the Knowledge Resource Center of Buck Consultants at Xerox

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