



## Keeping up with Health Care Reform

# Employer's Guide to EBC HRA 6055 Reporting

What employers need to do for EBC HRAs that require 6055 reporting

### **What is the purpose of 6055 reporting?**

Under the Affordable Care Act (ACA), all citizens are to be covered by a health plan that provides minimum essential coverage (MEC). The IRS will use the 6055 reporting to enforce the Individual Shared Responsibility – that every citizen is to be covered by MEC or pay a tax penalty.

### **What does the 6055 reporting require?**

Starting with 2015, Section 6055 required reporting from an insurer or employer to each covered “responsible individual” (e.g., the covered employee, retiree, etc.) that the individual had MEC every month of the calendar year or specific months during the calendar year. The group health plan’s report to that individual is on Form 1095-B.

### **Who provides the reporting?**

The insurer of an insured health plan that provides MEC is responsible for providing the report to the individual. The plan sponsor (employer) of a self-insured health plan that provides MEC is responsible for providing the report to the individual.

Consequently, the employer provides the 1095-B report to the individual for coverage provided under an affected EBC HRA. In addition, the employer provides a master transmittal Form 1094-B to the IRS along with a copy of all the 1095-Bs that were distributed.

### **Which EBC HRAs are affected?**

Under IRS guidance, the individuals that need to receive a 1095-B for their EBC HRA coverage are employees or former employees enrolled in a spend-down EBC HRA account, what we call a Post Employment Benefit (PEB), and non-PEB EBC HRAs for active or former employees if they are not enrolled in the employer’s group medical insurance plan and that EBC HRA reimburses expenses other than dental or vision. Through the same IRS guidance, EBC HRAs that cover an individual only if that individual is enrolled in the employer’s group medical plan are not subject to reporting.

### **When must the 6055 reporting be provided?**

The 1095-B must be provided to the EBC HRA participant no later than January 31st for the prior calendar year coverage. Therefore, the 2017 Form 1095-B must be provided to the responsible individual by January 31, 2018.

The employer transmits a copy of all the 1095-Bs that were distributed using Form 1094-B to the IRS by February 28th (March 31st if filed electronically) for the prior calendar year coverage. For 2017 the election filing deadline is April 2, 2018.

### **What must be reported on the 1095-B?**

Information on the 1095-B includes the name and identifying information of the responsible individual (participant), the employer’s information, names and identifying information for other individuals covered under the responsible individual’s plan and the month or months the responsible individual and others were covered.

**The IRS has published Forms 1095-B and 1094-B as well as an instruction book:**

**Form 1095-B:** <https://www.irs.gov/pub/irs-pdf/f1095b.pdf>

**Form instructions:** <https://www.irs.gov/pub/irs-pdf/f1095b.pdf>

As the employer, you will submit a copy to the IRS of all the 1095-Bs you provided using master transmittal

**Form 1094-B:** <https://www.irs.gov/pub/irs-pdf/f1094b.pdf>

**What resource does Employee Benefits Corporation have to assist an affected employer with their 6055 reporting obligation?**

The Participant Data Listing for the PEB or affected non-PEB EBC HRA can be used to identify the responsible individuals that need to receive a 1095-B. However, these individuals do not “enroll” their spouses or dependents in the EBC HRA. Therefore, we do not have a record of spouses and/or dependents covered by the plan.

Therefore, you will need to collect that information to fully complete the 1095-B.

**How do I access the Participant Data Listing and use it to determine which individuals to report?**

**For a PEB:** Log into your Account Overview page, click on the menu button and choose Reports. Select the PEB as the Product Type and select the Participant Data Listing.

When the Participant Data Listing opens, select the PEB as the “select value” and then “Select All” for the Employee Status and click View Report. You can export the report to Excel and use Excel’s sorting and filtering functions to more easily identify which participants to report.

Your PEB participants are listed with an effective date for when they started in the PEB and an end date or “open ended” meaning their account is still active.

By exporting to Excel, you can sort the participants so that any participant with an open ended or end date in 2017 appears at the top. These are the participants that need to receive a 1095-B.

If you have more than one PEB, you will need to repeat the above steps for each product.

You will provide a 1095-B report to your active participants and any inactive participant whose account closed at any time in 2017. If an account closed at any time in a month, report coverage as being effective that month, even if just for a day or two.

**For a non-PEB:** The non-PEB participants are receiving EBC HRA funds to use during the EBC HRA plan year and are eligible for the EBC HRA because they are not enrolled in the employer’s group health plan (waived the coverage) but are covered by another employer’s group health plan or are former employees (e.g., retirees).

When the Participant Data Listing opens, select the correct EBC HRA and 2016 plan year as the “select value.” Then choose “Select All” for the Employee Status and click View Report. If your EBC HRA is not a calendar year plan, you will need to run the report for the 2016 and 2017 plan years to gather the full information for the 2017 calendar year data.

You can export the report(s) to Excel and use Excel’s sorting and filtering functions to more easily identify which participants to report.

If you have more than one affected EBC HRA, you will need to repeat the above steps for each product.

You will provide a 1095-B report to your active participants and any inactive participant whose account closed at any time in 2017. If an account went into effect

or closed at any time in a month, report coverage as being effective that month, even if just for a day or two.

**What steps should I take now to prepare for the 6055 reporting?**

1. Review the IRS Forms and Instructions to become familiar with what information needs to be reported.
2. Run the Participant Data Listing for your PEB or non-PEB EBC HRA to determine which accounts were open/are open at any time in 2017.
3. Create a spreadsheet of your own listing the above participants as the “responsible individuals” that you will need to provide a 1095-B report to in early 2018.
4. For each of these individuals, keep track of which months in 2017 they had PEB coverage.
5. For each responsible individual, add the identifying information you need for the 1095-B report (e.g., birthdate, Social Security Number (SSN), etc.). Refer to Form 1095-B and instructions.
6. Contact each responsible individual to determine if there are any family members (spouse and/or children up to age 26) that are eligible for reimbursement from the account. If so, collect the identifying information you need for the family member (e.g., name, SSN, etc.) and which month(s) that individual was covered
7. When/if any new participants are added to your PEB, collect the identifying information and add it to your spreadsheet.
8. When/if any participant’s active account closes during 2017, note the last date open as the last month to report as having coverage.
9. In late 2017, run the Participant Listing again, repeat the steps for determining the responsible individuals and compare that listing with your spreadsheet. Collect any missing data.