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U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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FACT SHEET: FINAL REGULATIONS IMPLEMENTING INFORMATION REPORTING FOR EMPLOYERS AND INSURERS UNDER THE AFFORDABLE CARE ACT (ACA)

WASHINGTON - Today, the U.S. Department of the Treasury and the Internal Revenue Service (IRS) released final rules to implement the information reporting provisions for insurers and certain employers under the ACA that take effect in 2015.

“Today’s announcement is part of the Administration’s effort to provide certainty and early guidance about major health policies so employers, small business owners and other individuals can plan for 2015,” said Assistant Secretary for Tax Policy Mark J. Mazur. “Treasury’s final rules significantly streamline and simplify information reporting while making it easier for employers and insurers of all sizes to provide the quality, affordable health coverage that every American deserves.”

While 96 percent of employers are not subject to ACA reporting requirements or the employer responsibility provision because they have fewer than 50 employees, in 2015 requirements begin to phase-in for the remaining four percent of employers that are required to offer quality, affordable coverage to employees or make a payment. The final regulations released today on information reporting by those employers will substantially streamline reporting requirements for employers, particularly those that offer highly affordable coverage to full-time employees. Final

rules were also released today to provide guidance for reporting by insurers and other parties that provide health coverage under the ACA. Together, these rules respond to feedback from stakeholders and will help employers and insurers effectively comply with their responsibilities.

Today's final rules include the following key provisions:

Single, Combined Form for Information Reporting

- Employers that “self-insure” will have a streamlined way to report under both the employer and insurer reporting provisions. Responding to widespread requests, the final rules provide for a single, consolidated form that employers will use to report to the IRS and employees under both sections 6055 and 6056, thereby simplifying the process and avoiding duplicative reporting. The combined form will have two sections: the top half includes the information needed for section 6056 reporting, while the bottom half includes the information needed for section 6055.
 - Employers that have fewer than 50 full-time employees are exempt from the ACA employer shared responsibility provisions and therefore from the employer reporting requirements.
 - Employers that are large enough to be subject to the employer responsibility provisions and that “self-insure” will complete both parts of the combined form for information reporting.
 - Employers that are subject to employer responsibility but do not “self-insure” will complete only the top section of the combined form (reporting for section 6056). Insurers and other providers of health coverage will report only under section 6055, using a separate form for that purpose. Insurers do not have to report on enrollees in the Health Insurance Marketplace, since the Marketplace will already be providing information on individuals' coverage there.

Simplified Option for Employer Reporting

- For employers that provide a “qualifying offer” to any of their full time employees, the final rules provide a simplified alternative to reporting monthly, employee-specific information on those employees.
 - A qualifying offer is an offer of minimum value coverage that provides employee-only coverage at a cost to the employee of no more than about \$1,100 in 2015 (9.5 percent of the Federal Poverty Level), combined with an offer of coverage for the employee's family.
 - For employees who receive qualifying offers for all 12 months of the year, employers will need to report only the names, addresses, and taxpayer identification numbers (TINs) of those employees and the fact that they received a full-year qualifying offer. Employers will also give the employees a copy of that simplified report or a standard statement indicating that the employee received a full-year qualifying offer.
 - For employees who receive a qualifying offer for fewer than all 12 months of the year, employers will be able to simplify reporting to the IRS and to employees for

each of those months by simply entering a code indicating that the qualifying offer was made.

- To provide for a phase-in of the simplified option, employers certifying that they have made a qualifying offer to at least 95% of their full-time employees (plus an offer to their families) will be able to use an even simpler alternative reporting method for 2015. Those employers will be able to use the simplified, streamlined reporting method for their entire workforce, including for any employees who do not receive a qualifying offer for the full year. Those employers will provide employees with standard statements relating to their possible eligibility for premium tax credits.
- The final regulations also give employers the option to avoid identifying in the report which of its employees are full-time, and instead to just include in the report those employees who may be full-time. To take advantage of this option, the employer must certify that it offered affordable, minimum value coverage to at least 98 percent of the employees on whom it is reporting.

What Information Is Reported

The statute calls for employers, insurers, and other reporting entities to report information including:

- **For section 6055**
 - Information about the entity providing coverage, including contact information.
 - Which individuals are enrolled in coverage, with identifying information and the months for which they were covered.
- **For section 6056**
 - Information about the employer offering coverage (including contact information and the number of full-time employees).
 - For each full-time employee, information about the coverage (if any) offered to the employee, by month, including the lowest employee cost of self-only coverage offered.
- **Streamlined information:** The final rules omit data elements in the statute that are not necessary to understanding coverage offered and provided, in the interest of streamlining. These include (but are not limited to):
 - The length of any waiting period;
 - Employer's share of the total allowed costs of benefits provided under the plan;
 - The amount of advance payments of the premium tax credit and cost-sharing reductions.

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