

# COMPLIANCE CHRONICLE

REGULATIONS | POLICIES | STANDARDS | REQUIREMENTS | LAWS

Navigating the ever-evolving landscape of compliance can be challenging and time-consuming. Warner Pacific is happy to share monthly updates to help your organization stay informed about new requirements and minimize compliance risks. Let us handle the complexities, so you can focus on what matters most – your business.



## **The Affordable Care Act (ACA) created reporting requirements under Internal Revenue Code – Sections 6055 and 6056.**

- Under Section 6055, self-insuring employers and other parties that provide minimum essential health coverage must report information on this coverage to the IRS and to covered individuals upon request.
- Under Section 6056, applicable large employers (generally, those with 50 or more full-time employees) are required to report information to the IRS, and to their full-time employees upon request, about their compliance with the employer-shared responsibility (pay or play) rules and the health coverage they have or have not offered.

## **This checklist outlines key steps for employers to comply with the ACA's reporting requirements.**

Keep in mind that a growing number of states have enacted their own health coverage reporting requirements. Employers need to comply with the federal ACA reporting requirements and any applicable state reporting requirements.

## Affected Employers

Determine if ACA Reporting Applies Select "YES" if your company is any of the following:	YES	NO
<ul style="list-style-type: none"> <li>• <b>Employers with self-funded health plans</b> (Section 6055 reporting);</li> <li>• <b>Applicable large employers (ALEs)</b> with either fully insured or self-funded health plans (Section 6056 reporting). An ALE is an employer that employed an average of at least 50 full-time employees, including full-time equivalents, on business days during the preceding calendar year. Employers who are not ALEs and have fully insured health plans are not subject to these ACA reporting requirements.</li> </ul> <p>ALEs with self-funded plans are required to comply with both reporting obligations. However, to simplify the reporting process, the IRS allows ALEs with self-funded plans to use a single combined form to report the information required under Sections 6055 and 6056.</p> <p><i>If you answered "No," you can stop here. However, be sure to check any state health coverage reporting requirements that may apply to your organization.</i></p>		

## Information Required to be Reported

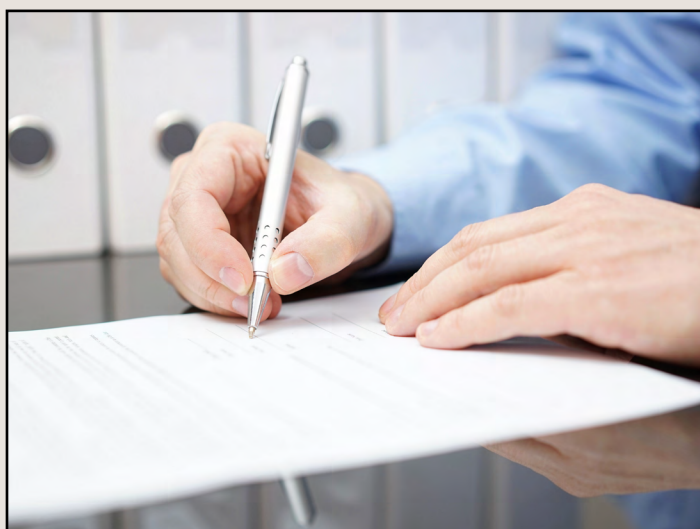
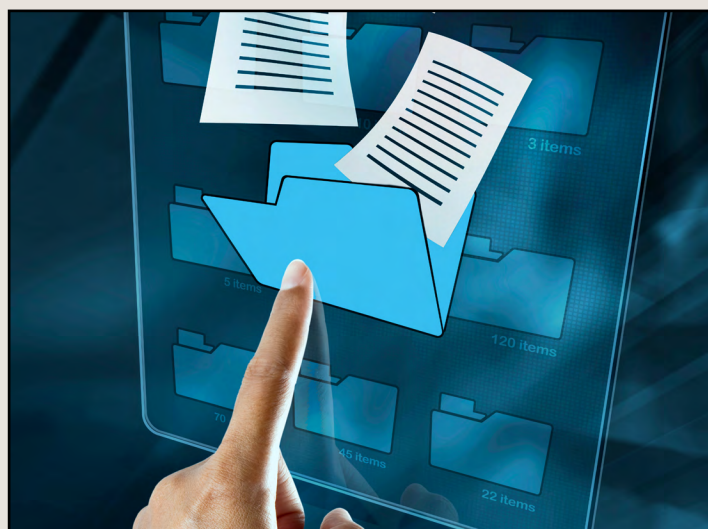
Sections 6055 and 6056 require the reporting of several data elements that are not required of by taxpayers for preparing their tax returns or by the IRS for tax administration.

Compile Information for Section 6055 Reporting	Complete	N/A
In addition to general employer information, the <a href="#">required information</a> for Section 6055 reporting includes:		
The name, address and taxpayer identification number (TIN) of responsible individuals (or date of birth if a TIN is not available). The responsible individual is generally the person who enrolls one or more individuals (which may include themselves) in minimum essential coverage (MEC). This may be the primary insured, employee, former employee or other related person named on the coverage application.		
The name and TIN (or date of birth if a TIN is not available) of <b>each individual covered under the policy</b> and the months for which the individual was enrolled in coverage and entitled to receive benefits.		

Compile Information for Section 6056 Reporting	Complete	N/A
In addition to general employer information, the <a href="#">required information</a> for Section 6056 reporting includes:		
A certification of whether the ALE offered its full-time employees (and their dependents) the opportunity to enroll in MEC under an eligible employer-sponsored plan, by calendar month.		
The months during the calendar year for which MEC under the plan was available.		
Each full-time employee's share of the lowest-cost monthly premium for self-only coverage providing minimum value offered to that employee, by calendar month.		
The number of full-time employees for each month during the calendar year.		
The name, address and Social Security Number (SSN) or TIN (or date of birth if a TIN is not available) of <b>each full-time employee</b> and the months (if any) during which they were covered under the eligible employer-sponsored plan during the calendar year.		

## Filing Requirements

File Returns with IRS by Applicable Deadline in 2025	Complete
<p><b>For the 2024 calendar year, returns were required to be filed electronically with the IRS by March 31, 2025.</b></p> <ul style="list-style-type: none"> <li>Under Code Section 6055, reporting entities will generally file <a href="#">Forms 1094-B</a> (a transmittal) and <a href="#">1095-B</a> (an information return).</li> <li>Under Code Section 6056, reporting entities file <a href="#">Forms 1094-C</a> (a transmittal) and <a href="#">1095-C</a> (an information return). Employers reporting under Sections 6055 and 6056 (i.e., ALEs with self-funded plans) use a combined reporting method by filing Forms 1094-C and 1095-C.</li> </ul> <p><b>Extension Requests:</b> Reporting entities may receive an automatic 30-day extension to file with the IRS by completing and filing <a href="#">Form 8809</a> (Application for Extension of Time To File Information Returns) by the due date of the returns.</p> <p><b>Paper Reporting:</b> Before 2024, employers who filed fewer than 250 individual statements under Sections 6055 or 6056 could file their ACA returns on paper. However, now paper filing is only available to employers who file <b>fewer than 10 information returns</b> with the IRS for the year. The 10-or-more requirement applies in the aggregate to certain information returns, which means that a reporting entity may be required to file fewer than 10 of the applicable Forms 1094 and 1095 but still have an electronic filing obligation based on other kinds of information returns filed (e.g., Forms W-2 and 1099).</p>	
<p><b>Work with a third-party vendor to ensure electronic filing is completed through the <a href="#">ACA Information Returns (AIR) program</a>.</b> In general, the AIR program is used by:</p> <ul style="list-style-type: none"> <li><b>Software developers</b> who develop software for creating electronic files for ACA information returns</li> <li><b>Transmitters</b> who will transmit information returns to the IRS on behalf of reporting entities</li> <li><b>Issuers</b> who have the capability to transmit information returns directly to the IRS on their own behalf</li> </ul> <p>The IRS' electronic filing guidance is not generally intended to be used by employers who are required to file under Sections 6055 or 6056, but it can provide some useful information on standards and procedures for returns transmitted through the AIR program.</p>	





Submit Waiver From Electronic Filing by the 2025 Deadline (if applicable)	Complete	N/A
<i>If you are filing electronically, check the "N/A" box for this portion of the checklist. The IRS encourages electronic filing even if a reporting entity is filing fewer than 10 returns.</i>		
<p>If a reporting entity is required to file electronically but wants to file on paper, it needed to submit <a href="#">Form 8508</a> (Application for Waiver from Electronic Filing of Information Returns) to the IRS before February 28, 2025 (the IRS recommends submission at least 45 days before this deadline).</p> <ul style="list-style-type: none"> <li>Use the formatting directions in the applicable instructions for the B series forms and C series forms for the preparation of paper returns.</li> </ul> <p>Keep any approved waiver for your records.</p>		

## Furnishing Requirements

Furnish Statements to Individuals Upon Request	Complete
<p>Under the original reporting rules, reporting entities had to furnish statements annually to each individual who was provided with MEC (under Section 6055) and each of the ALE's full-time employees (under Section 6056). These statements were provided using Forms 1095-B and 1095-C.</p> <p><b>However, as a result of <a href="#">new legislation</a>, reporting entities are no longer required to send Forms 1095-B and 1095-C to covered individuals unless a form is requested.</b> Reporting entities should have:</p> <ol style="list-style-type: none"> <li>Posted a clear and conspicuous notice on their websites by March 3, 2025, stating that covered individuals and full-time employees may receive a copy of their statement upon request. The notice must include:                         <ul style="list-style-type: none"> <li>An email address;</li> <li>A physical address to which a request may be sent; and</li> <li>A telephone number to contact the reporting entity.</li> </ul> </li> <li>Retained the notice in the same website location through October 15, 2025.</li> </ol> <p>Any request must be fulfilled by <b>January 31 of the year following the calendar year to which the return relates or 30 days after the date of the request</b>, whichever is later. The statement may be provided electronically if the recipient has affirmatively consented at any prior time.</p> <p>Reporting entities that do not use this new approach should have Form 1095 to each covered individual and full-time employee (as applicable) by March 3, 2025.</p>	



**Use this checklist as a guide when reviewing your client's compliance with the ACA's reporting requirements for 2025.**

**Check out all of our compliance and legislative resources at [warnerpacific.com](https://www.warnerpacific.com).**