

Guidelines Finalized for Electronic Reporting Under Sections 6055 and 6056

On Aug. 18, 2015, the Internal Revenue Service (IRS) issued a finalized test package and guidelines for employers reporting under Internal Revenue Code Sections 6055 and 6056. The new guidelines and test package are intended to help employers and technology companies securely facilitate the electronic transmission of these reports.

Employers filing 250 or more returns under Sections 6055 and 6056 are required to electronically report information regarding the health plan coverage they provide (or do not provide) to employees. Additionally, employers filing less than 250 returns during the 2015 calendar year may file in paper

form, but are permitted (and encouraged) to file electronically.

The finalized guidelines, titled [Publication 5165, Guide for Electronically Filing ACA Information Returns for Software Developers and Transmitters](#) (Pub. 5165), provide technical information and standards for the facilitation of electronic reporting for 2015 through the ACA Information Returns (AIR) program. The AIR program is scheduled to become available on Oct. 22, 2015. Employers submitting forms electronically through the AIR program must obtain log-in credentials by completing the [e-Services Registration](#). Additionally, employers must log in within 28 days in order to confirm their registration and activate their accounts.

Information on the ACA Assurance Testing System (AATS) is provided in [Pub. 5164, Test Package for Electronic Filers of ACA Information Returns](#). Testing scenarios for electronic reporting are currently available through the AATS.

A waiver from the electronic reporting requirement was proposed in the 2015 draft instructions for reporting under Sections 6055 and 6056. In order to receive a waiver, employers must submit [Form 8508, Request for Waiver From Filing Information Returns Electronically](#) at least 45 days before the return due date. Employers that are required to file electronically but fail to do so without an approved waiver may be fined a penalty of up to \$250 per return.

DID YOU KNOW?

As recent college graduates continue to enter the workforce with student loan debt, some employers are beginning to consider providing student loan repayment assistance as an employee benefit to help attract and retain these employees. Employers may choose to add student loan management services, such as matching a portion of employees' student loan payments, to employee benefits packages.

According to a recent survey conducted by Iontuition, 49 percent of respondents indicated that they would prefer employer student loan repayment assistance over more traditional employee benefits, such as a 401(k) plan.

Separate Section 6055 Reporting May be Required for Some HRAs

On Aug. 7, 2015, the IRS issued [2015 draft instructions for Forms 1094-B and 1095-B](#). The draft instructions specify that employers that provide insured major medical plans and self-insured health reimbursement arrangements (HRAs) will be required to separately report HRA coverage under Section 6055.

Previously, all HRAs were expected to be considered "supplemental coverage," which would not have to be reported. However, the draft instructions state that coverage is only supplemental if it is provided by the same plan sponsor. For this purpose, that means the same reporting entity. The instructions state "an insured group health plan and a self-insured HRA covering the employees of the same employer aren't supplemental."

The 2015 instructions are draft versions only, and should not be relied upon for filing. The IRS may make changes prior to releasing the final 2015 versions.