



# EXPERT UPDATE



## Large Employer IRS Report Requirement



HENDERSON  
BROTHERS

### Large Employer IRS Report Requirement

In accordance with Internal Revenue Code 6056, effective for plan years beginning after 12/31/2013, every applicable large employer will be required to file a return to the IRS. The return will contain the name, date, the employer's tax identification number and whether the employer offers minimum essential health benefits to its full-time employees. Additional information, including the employer's wait period, the premium for the lowest cost plan option, the employer's share of the total cost of benefits under the plan and the total number of full-time employees for each month during the calendar year will need to be reported as well. Information for each employee, including their tax ID, their name, address and the months if any during the year for which each employee has been enrolled in minimum essential benefits must also be gathered and included in this annual IRS report.

Statements will then need to be furnished to individuals with respect to whom information has been reported. Employers will supply a written statement to each full-time employee whose name was included in the employer report, a contact name for the employer, and the employee information required to be shown in the report. This disclosure to employees shall be provided on or before 1/31 of the year *following* the calendar year for which the return was required to be made.

In the case of an applicable large employer that sponsors a fully-insured health plan, the employer may enter into an agreement with the issuer so that the issuer provides

the necessary data in lieu of the employer filing the IRS report. This is possible because the IRS, in accordance with IRC 6055, requires essentially the same data from issuers that is required of large employers. It is apparent that the IRS intends to coordinate and minimize duplicative reporting between employers and insurers as many of the same reporting requirements apply to both.

Stay tuned for more guidance regarding this new IRS report requirement.

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