Reporting of Employer Health Insurance Coverage by Large Employers

**Summary:** Requires large employers to report to the Secretary whether it offers to its full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan, the length of any applicable waiting period, the lowest cost option in each of the enrollment categories under the plan, and the employer’s share of the total allowed costs of benefits provided under the plan. The employer must also report the number and names of full-time employees receiving coverage.

**Next steps:**
- January 1, 2014 – Provision goes into effect.
- January 31, 2015 (and annually thereafter) – Certain employers must provide statements to individuals provided coverage, with penalties for noncompliance. These statements may be provided on the W2.

**Additional information:**

**Long summary:**
**Sec. 1514. Reporting of employer health insurance coverage.** Applicable large employers and offering employers must provide the Treasury a certification as to whether the employer offers minimum essential coverage to employees, the length of any waiting period required, the lowest-cost plan’s premium and employer contribution, the number of full-time employees for each month during the year, identification of the employees enrolled in the employer’s plan, and other information. The Secretary of Treasury is to determine the form and manner of the certification.

**Statements to employees.** Employers must also furnish to each named employee by January 31st of each year the information provided to Treasury with respect to the employee, with penalties for noncompliance. The Secretary of Treasury may provide that this information be provided on the W2 or by the health insurance issuer. The Secretary of Treasury has authority to review the accuracy of information reported by employers with respect to the reporting requirements, including the employer premium contribution.

**Definition of applicable large employers.** Applicable large employers are defined as those with an average of 50 or more full-time employees in the preceding year, unless the employer exceeds 50 employees for 120 days or fewer during the year as a result of hiring seasonal workers.
**Definition of offering employers.** Offering employers are defined for this section as those for whom the required contribution of any employee exceeds 8% of wages paid the employee by the employer. The 8% amount is indexed after 2014 to the growth of premiums over income from 2013 to the preceding year.

**Definition of minimum essential coverage.** Minimum essential coverage is defined as coverage under a government sponsored plan (i.e., Medicare; Medicaid; CHIP; TRICARE; the veteran’s health care program, Peace Corps health plan), an employer sponsored plan, plans offered in the individual market in a state, a grandfathered plan, and other coverage, such as state high risk pools, as determined by the Secretary of HHS in coordination with the Treasury. It does not include coverage under excepted benefits (§2791 of PHS Act, which includes such coverage as accident-only, and separate dental or vision coverage.)

**Effective date.** Effective for calendar years beginning in 2014.

**Legislative text:**

(a) **IN GENERAL.**—Subpart D of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986, as added by section 1502, is amended by inserting after section 6055 the following new section:

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SEC. 6056. CERTAIN EMPLOYERS REQUIRED TO REPORT ON HEALTH INSURANCE COVERAGE.

(a) IN GENERAL.—Every applicable large employer required to meet the requirements of section 4980H with respect to its full-time employees during a calendar year and every offering employer shall, at such time as the Secretary may prescribe, make a return described in subsection (b).

(b) FORM AND MANNER OF RETURN.—A return is described in this subsection if such return—

(1) is in such form as the Secretary may prescribe, and

(2) contains—

(A) the name, date, and employer identification number of the employer,

(B) a certification as to whether the employer offers to its full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan (as defined in section 5000A(f)(2)),

(C) if the employer certifies that the employer did offer to its full-time employees (and their dependents) the opportunity to so enroll—

(i) in the case of an applicable large employer, the length of any waiting period (as defined in section 2701(b)(4) of the Public Health Service Act) with respect to such coverage,

(ii) the months during the calendar year for which coverage under the plan was available,

(iii) the monthly premium for the lowest cost option in each of the enrollment categories under the plan,

(iv) the employer’s share of the total allowed costs of benefits provided under the plan, and

(v) in the case of an offering employer, the option for which the employer pays the largest portion of the cost of the plan and the portion of the cost paid by the employer in each of the enrollment categories under such option,

(D) the number of full-time employees for each month during the calendar year,

(E) the name, address, and TIN of each full-time employee during the calendar year and the months (if any) during which such employee (and any dependents) were covered under any such health benefits plans, and

(F) such other information as the Secretary may require.

The Secretary shall have the authority to review the accuracy of the information provided under this subsection, including the applicable large employer’s share under paragraph (2)(C)(iv).

(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REPORTED.—

(1) IN GENERAL.—Every person required to make a return under subsection (a) shall furnish to each full-time employee whose name is required to be set forth in such return under subsection (b)(2)(E) a written statement showing—

(A) the name and address of the person required to make such return and the phone number of the information contact for such person, and

(B) the information required to be shown on the return with respect to such individual.

(2) TIME FOR FURNISHING STATEMENTS.—The written statement required under paragraph (1) shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.
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“(d) COORDINATION WITH OTHER REQUIREMENTS.—To the maximum extent feasible, the Secretary may provide
that—
“(1) any return or statement required to be provided under this section may be provided as part of any return or
statement required under section 6051 or 6055, and
“(2) in the case of an applicable large employer or offering employer offering health insurance coverage of a health
insurance issuer, the employer may enter into an agreement with the issuer to include information required under
this section with the return and statement required to be provided by the issuer under section 6055.
“(e) COVERAGE PROVIDED BY GOVERNMENTAL UNITS.—In the case of any applicable large employer or offering
employer which is a governmental unit or any agency or instrumentality thereof, the person appropriately designated
for purposes of this section shall make the returns and statements required by this section.
“(f) DEFINITIONS.—For purposes of this section—
“(1) OFFERING EMPLOYER.—
“(A) IN GENERAL.—The term ‘offering employer’ means any offering employer (as defined in section 10108(b) of
the Patient Protection and Affordable Care Act) if the required contribution (within the meaning of section
5000A(e)(1)(B)(i)) of any employee exceeds 8 percent of the wages (as defined in section 3121(a)) paid to such
employee by such employer.
“(B) INDEXING.—In the case of any calendar year beginning after 2014, the 8 percent under subparagraph (A) shall
be adjusted for the calendar year to reflect the rate of premium growth between the preceding calendar year and
2013 over the rate of income growth for such period.
“(2) OTHER DEFINITIONS.—Any term used in this section which is also used in section 4980H shall have the meaning
given such term by section 4980H.”
(b) ASSESSABLE PENALTIES.—
(1) Subparagraph (B) of section 6724(d)(1) of the Internal Revenue Code of 1986 (relating to definitions), as
amended by section 1502, is amended by striking “or” at the end of clause (xxiii), by striking “and” at the end of
clause (xxiv) and inserting “or”, and by inserting after clause (xxiv) the following new clause:
“(xxv) section 6056 (relating to returns relating to certain employers required to report on health insurance
coverage), and”.
(2) Paragraph (2) of section 6724(d) of such Code, as so amended, is amended by striking “or” at the end of
subparagraph (FF), by striking the period at the end of subparagraph (GG) and inserting “, or” and by inserting
after subparagraph (GG) the following new subparagraph:
“(HH) section 6056(c) (relating to statements relating to certain employers required to report on health insurance
coverage).”.
(c) CONFORMING AMENDMENT.—The table of sections for subpart D of part III of subchapter A of chapter 61 of such
Code, as added by section 1502, is amended by adding at the end the following new item:
“Sec. 6056. Certain employers required to report on health insurance coverage.”.
(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods beginning after December 31,
2013.