



Subject: **1) Final 2020 Forms and Instructions for ACA Reporting; and 2) Inflation-Adjusted Benefit Limit for Excepted Benefit HRA**

Date: October 16, 2020

### **Final 2020 Forms and Instructions for ACA Reporting**

The IRS released finalized versions of the forms and instructions that are used to satisfy the IRC Section 6055 and 6056 reporting.

As a reminder, there are two annual reporting obligations imposed by IRC Section 6055 minimum essential coverage reporting, and by IRC Section 6056, employer shared responsibility reporting.

- ♦ The minimum essential coverage (MEC) reporting obligation used to satisfy the IRC Section 6055 is accomplished on the Form 1094-B transmittal and Form 1095-B statement to individuals. Generally, this reporting is accomplished by the insurer if the plan is insured. If the plan is self-funded, the employer is obligated to complete the MEC reporting and disclosure.
- ♦ Employers subject to employer shared responsibility (those employing 50 or more employees as of December 31, 2019 for the 2020 reporting year), accomplish MEC reporting obligation by completing Part III on the Form 1095-C. Employers not subject to employer shared responsibility reporting accomplish the MEC reporting obligation by reporting on the B series described above. The employer shared responsibility reporting obligation is accomplished on the Form 1094-C transmittal and the Form 1095-C statement to individuals.

The required content of the 2020 edition of the forms is essentially the same as the 2019 forms, with the exception of new reporting codes applicable to individual coverage health reimbursement arrangements (IC-HRA). As background, an IC-HRA is an HRA that can be offered in conjunction with individual coverage, whether obtained through or outside marketplace, as well as Medicare Parts A, B, C and D policies. Specifically, there are 8 new reporting codes for Line 14 of the 2020 Form 1095-C which is used to describe the type of employer coverage offered to individuals, together with related changes made to Lines 15 and 17. A similar change is noted in the 2020 Form 1094-B to designate coverage under an IC-HRA in Line 8, which is used to designate the type of coverage in which individuals are enrolled.

The 2020 reporting forms and instructions are available for viewing and downloading from the IRS website:

- ☐ *Health Insurance Coverage Reporting by Insurers and Sponsors of Self-funded Plans (IRC Section 6055)*
  - ♦ Instructions for 2020 Forms 1094-B and 1095-B ([HTML](#) or [PDF](#))
  - ♦ **Form 1094-B**, *Transmittal of Health Coverage Information Returns*
  - ♦ **Form 1095-B**, *Health Coverage*

- ❑ **Employer Health Insurance Reporting Requirement (IRC Section 6056)**
  - ◆ Instructions for 2020 Forms 1094-C and 1095-C ([HTML](#) or [PDF](#))
  - ◆ **Form 1094-C, Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns**
  - ◆ **Form 1095-C, Employer-Provided Health Insurance Offer and Coverage**

### Deadlines for Distributing and Filing Forms 1094 and 1095

- ✓ As discussed in [CBIZ Health Reform Bulletin 153](#), IRS [Notice 2020-76](#) provides an extension for the timeframe required to provide the 2020 Form 1095-B and Form 1095-C disclosure statements to individuals. While these statements are generally due by January 31<sup>st</sup> following the reporting year, the due date for furnishing benefit statements (Form 1095-B and Form 1095-C) to individuals has been extended from January 31, 2021 to March 2, 2021. Due to this extension, there will be no further 30-day automatic extension available.

Reporting entities required to furnish their Form 1095-B to individuals can continue to use the simplified posting method to fulfil this obligations. This method allows the reporting entity to post a notice on its website stating how individuals can obtain their Form 1095-B upon request. The reporting entity must include an email address and a physical address for submitting the request, together with a telephone number for individuals to contact the entity with any questions. The reporting entity is also obligated to furnish the Form 1095-B within 30 days upon receiving a request from an individual.

Important to note, however, is that those employers who are subject to the IRC Section 6056 employer shared responsibility reporting obligation (employers employing 50 or more employees) and who sponsor self-funded plans must continue to complete Part III of the Form 1095-C. In other words, these employers cannot take advantage of the posting methodology described above to satisfy their IRC Section 6055 reporting obligation. The employer can use the simplified posting method for those individuals who are not required to be reflected in IRC Section 6056 reporting obligation.

- ✓ Electronic filing of the forms must be accomplished by March 31, 2021; or, March 1, 2021 if filing by paper. An automatic 30-day extension of time to file the 1094/1095 forms remains available by submitting the Form 8809 with the IRS on or before the filing due date.

### Inflationary-Adjusted Benefit Limit for Excepted Benefit HRA

Beginning this year, employers can choose to offer an HRA integrated with individual coverage (IC-HRA), or an excepted benefit HRA (EB-HRA). An EB-HRA is a stand-alone HRA that can be used to reimburse certain Code Section 213(d) expenses such as co-pays and deductibles, as well as premium for certain excepted benefits policies such as dental and vision.

One of the criteria for this type of HRA is a cap or limit on the maximum reimbursement for medical expenses that can be made through the EB-HRA; this amount is subject to inflationary indexing. Beginning December 31, 2019, the limit on reimbursements for medical expenses is \$1,800. According to [IRS Revenue Procedure 20-43](#), the maximum contribution amount for plan years beginning prior to January 1, 2022 remains \$1,800.

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