



EMPLOYER HEALTH COVERAGE REPORTING

BACKGROUND

Effective for 2016, the Affordable Health Care Act (AHCA) eliminates the employer shared responsibility penalties but it does *not* repeal the related employer reporting requirements. The bill also creates new premium tax credits in 2020 and beyond, though employees who are offered employer-sponsored coverage are ineligible for these premium tax credits. To implement these new tax credits, the bill specifies employers must report on an employee's Form W-2 whether the employee is eligible for employer-sponsored health coverage (and for which months). It is expected this new W-2 reporting requirement would supplant the existing Code 6055 and 6056 reporting requirement, but this is not clearly stated in the legislation (likely because of procedural budget rules).

TALKING POINTS

- The ACA's significant and complex information reporting requirements imposed on employers require substantial time and resources to implement.
- The reporting is complex and employers continue to face challenges in providing the forms to employees by the January 31 deadline.
- If Congress passes a bill that eliminates the employer mandate penalty, Congress should significantly simplify the employer reporting obligations.
- We are supportive of the idea of using the Form W-2 to fulfill reporting requirements necessary to implement the new premium tax credits - though it is imperative this new reporting requirement supplant the existing Code 6055 and 6056 reporting requirements.