

HEALTH CARE REFORM: IRS PROVIDES CLARIFICATION ON SOLICITATION REQUIREMENTS FOR MISSING SSNs/TINs

Internal Revenue Code Section 6055 requires health insurance issuers, employers providing self-insured group health coverage, and others providing minimum essential coverage to report on all covered individuals and the period of coverage. For fully-insured plans, the health insurance issuer is responsible for reporting on Form 1095-B. Applicable Large Employers (ALEs) sponsoring self-insured plans are responsible for reporting on Form 1095-C Part III.

All filers must include social security numbers (SSNs) or taxpayer identification numbers (TINs) for all covered individuals, including the employee, spouse and dependents, and penalties may be assessed if this information is not reported. The Internal Revenue Service (IRS) may waive penalties for filers who can show they have taken reasonable steps to solicit the SSNs/TINs but did not receive them. The IRS recently provided clarifications on the reasonable steps filers must take to solicit missing SSNs/TINs.

STEPS FOR SOLICITING MISSING SSNs/TINs

Prior IRS guidance established a series of steps involving an initial solicitation and two subsequent annual solicitations. The proposed regulations modify these steps:

- **Initial Solicitation** – Must be made at the time the issuer or ALE receives a substantially complete application for new coverage or to add an individual to existing coverage. This requirement can be met by requesting the enrollees' SSNs/TINs as part of the application process.
- **First Annual Solicitation** – Must be made no later than 75 days after the date the application is received. If coverage is retroactive, then it must be made no later than 75 days after the determination of retroactive coverage is made.
- **Second Annual Solicitation** – Must be made by December 31st of the year following the year of the initial solicitation.

For individuals already enrolled in coverage, the initial solicitation requirement is met if the SSNs/TINs were requested at any time on or before July 29, 2016. The first annual solicitation must be made within a reasonable time and, if a SSN/TIN is not provided, the second annual solicitation must be made by December 31, 2017. If SSNs/TINs were not requested on or before July 29, 2016, then the initial solicitation must be made within a reasonable time and the first and second annual solicitations made in accordance with the timeline above.

Please contact your Keenan Account Manager for questions regarding this *Briefing* or if you require any additional information regarding the Affordable Care Act.

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