



Benefits Administration Letter

Number: 14- 212

Date: December 23, 2014

Subject: Designation for Employer Shared Reporting Responsibilities under Internal Revenue Code Section 6056

Background

On October 3, 2014, OPM issued Benefits Administration Letter (BAL) 14-207, to provide guidance on reporting requirements under Internal Revenue Code (IRC) Section 6056. Each Applicable Large Employer (ALE) member¹ is required to furnish reports to the IRS and furnish statements to their employees for plan year 2015 with reports due in early 2016. For purposes of the Federal Employees Health Benefits (FEHB) Program, a list of ALE members is attached.

Under IRC 6056(e), an ALE member which is a governmental unit may designate a person to file returns on their behalf for purposes of this section. The designated person must be part of or related to the same governmental unit as the ALE member.²

Purpose

This BAL provides the designation that agencies must use if they choose to designate their reporting responsibilities under IRC section 6056 for purposes of the Federal Employees Health Benefits (FEHB) Program.

Determining the ALE Member Authorized Signatory

ALE members may choose to designate their payroll providers to report on their behalf. The designation must be signed by the ALE member's authorized signatory. The authorized signatory should be the contracting officer overseeing the contract with your payroll provider. This could be someone in your Human Resources Department or your Chief Financial Officer Department.

For agencies with a Chief Human Capital Officer (CHCO), the authorized signatory may be the

¹ The ALE is the group of civilian, non-Postal, executive agencies that are permitted by statute to participate in the FEHB Program. The ALE members are Cabinet level Departments, independent agencies, boards and commissions that make up the ALE.

² For more information on IRC section 6056, see <http://www.irs.gov/uac/Questions-and-Answers-on-Reporting-of-Offers-of-Health-Insurance-Coverage-by-Employers-Section-6056>

CHCO. If your agency has a CHCO, please contact the CHCO to have them complete the designation.

Once the ALE member has determined who it would like to designate to report on its behalf and the payroll provider accepts this designation, the ALE member must complete the attached designation and provide a signed copy to the payroll provider for signature and provide a copy to OPM. We only need one copy of the designation per ALE member.

Timeline

A fully executed copy of the designation must be completed and signed by both parties and returned to OPM by January 4, 2015.

If you have any questions regarding this Benefits Administration Letter please contact Rachel Royster at 202.606.4181 or ESR@opm.gov.

Sincerely,

John O'Brien
Director

Attachments