



GUAM DEPARTMENT OF REVENUE AND TAXATION

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Announcement 2016-01

Requirements of the 1095 series "A", "B", & "C" as it relates to Guam's Employers and Health Insurance Providers.

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Purpose

This announcement is to provide guidance to all Guam Employers and Health Insurance Providers.

Background

The federal mandate of the Affordable Care Act requires all Employers and Health Insurance Providers to report health coverage information on tax form 1095-C and 1095-B respectively as codified in IRC §6055. An explanation on this requirement is explained below. Tax Form 1095-A is restricted to the Exchange and is therefore inapplicable as a consequence of Guam opting-out of the mandatory health insurance.

Guidance to Guam Employers and Health Insurance Providers

GDRT Reporting Requirement

Guam's Department of Revenue and Taxation (GDRT) has come to a decision on the proper treatment to report this information. GDRT will not impose the requirement to issue or report ALL series of the 1095 to the following;

- All employees located on Guam, and
- All Subscribers located on Guam.

Both Tax Forms 1095-B and 1095-C, including the attached 1094's, will NOT be required to be reported to GDRT. As a mirror provision to the Internal Revenue Code and with its authority within 48 U.S. Code § 1421j, GDRT's Administration and Enforcement of Income-Tax Laws is incompatible to the intentions for the collection of data in sections 6055 and 6056 of the Guam Territorial Income Tax Code.

IRS Reporting Requirement

Guam employers may still be required to file Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, and Form 1094-C, *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*, with the U.S. Internal Revenue Service.

A Guam employer is required to file those forms with the IRS if the employer has 50 or more "full-time" employees who perform services in the 50 states or the District of Columbia. If all of an employer's employees perform services solely in Guam, another U.S. territory, or a foreign country, the employer is not required to



file those information returns with the IRS. If a Guam employer must file these information returns with the IRS, the employer is only required to file returns on those full-time employees who perform the services in one of the 50 states or the District of Columbia.

Form 1094-C must be used to report to the IRS summary information for each employer and to transmit Forms 1095-C to the IRS. Form 1095-C is used to report information about each employee. For additional information, see www.irs.gov and the *Instructions for Forms 1094-C and 1095-C*.

Effect on other guidance

This announcement supersedes ITAPB-(A-04).

Contact information

Any questions regarding this announcement may be sent via e-mail to Lawrence.Terlaje@revtax.guam.gov.