

limited to \$600 under paragraph (a)(3) of this section.

Example 10. (i) A is married to B at the close of 2014 and they have no dependents. A and B are enrolled in a qualified health plan for 2014 with an annual premium of \$10,000 and advance credit payments of \$6,500. A is not eligible for minimum essential coverage (other than coverage described in section 5000A(f)(1)(C)) for any month in 2014. A is a victim of domestic abuse as described in § 1.36B-2(b)(2)(iii). At the time A files her tax return for 2014, A is unable to file a joint return with B for 2014 because of the domestic abuse. A certifies on her 2014 return, in accordance with relevant instructions, that she is living apart from B and is unable to file a joint return because of domestic abuse. Thus, under § 1.36B-2(b)(2)(ii), A satisfies the joint return filing requirement in section 36B(c)(1)(C) for 2014.

(ii) A's family size for 2014 for purposes of computing the premium tax credit is one, and A is the only member of her coverage family. Thus, A's benchmark plan for all months of 2014 is the second lowest cost silver plan offered by the Exchange for A's rating area that covers A. A's household income includes only A's modified adjusted gross income. Under paragraph (b)(4)(ii) of this section, A takes into account \$5,000 (\$10,000 x .50) of the premiums for the plan in which she was enrolled in determining her premium tax credit. Further, A must reconcile \$3,250 (\$6,500 x .50) of the advance credit payments for her coverage under paragraph (b)(4)(i) of this section.

(c) *Applicability dates.* Paragraphs (a)(1)(ii), (a)(3)(iii), (a)(4), *Examples 4, 10, 11, 12, 13, 14, and 15*, (b)(3), (b)(4), and (b)(5), *Examples 9 and 10* apply to taxable years beginning after December 31, 2013. The last sentence of paragraph (a)(1)(ii)(B)(I), paragraph (a)(1)(ii)(B)(2), and paragraph (a)(1)(ii)(C) of this section apply to taxable years ending on or after December 31, 2020.

[T.D. 9590, 77 FR 30385, May 23, 2012; 77 FR 41048, July 12, 2012; 77 FR 41270, July 13, 2012, as amended by T.D. 9683, 79 FR 43627, July 28, 2014; T.D. 9822, 82 FR 34607, July 26, 2017; T.D. 9912, 85 FR 76978, Dec. 1, 2020]

§ 1.36B-5 Information reporting by Exchanges.

(a) *In general.* An Exchange must report to the Internal Revenue Service (IRS) information required by section 36B(f)(3) and this section relating to individual market qualified health plans in which individuals enroll through the Exchange. No reporting is required under this section for enrollment in

plans through the Small Business Health Options Exchange.

(b) *Individual filing a return.* For purposes of this section, the terms *tax filer* and *responsible adult* describe the individual who is expected to be the taxpayer filing an income tax return for the year of coverage with respect to individuals enrolling in a qualified health plan. A tax filer is an individual on behalf of whom advance payments of the premium tax credit are made. A responsible adult is an individual on behalf of whom advance payments of the premium tax credit are not made. An individual may be a tax filer or responsible adult whether or not enrolled in coverage. If more than one family (within the meaning of § 1.36B-1(d)) enrolls in the same qualified health plan, there is a tax filer or responsible adult for each family.

(c) *Information required to be reported—(1) Information reported annually.* An Exchange must report to the IRS the following information for each qualified health plan—

(i) The name, address, and taxpayer identification number (TIN), or date of birth if a TIN is not available, of the tax filer or responsible adult;

(ii) The name and TIN, or date of birth if a TIN is not available, of a tax filer's spouse;

(iii) The amount of the advance credit payments paid for coverage under the plan each month;

(iv) For plans for which advance credit payments are made, the premium (excluding the premium allocated to benefits in excess of essential health benefits, see § 1.36B-3(j)) for the applicable benchmark plan for purposes of computing advance credit payments;

(v) Except as provided in paragraph (c)(3)(ii) of this section, for plans for which advance credit payments are not made, the premium (excluding the premium allocated to benefits in excess of essential health benefits, see § 1.36B-3(j)) for the applicable benchmark plan that would apply to all individuals enrolled in the qualified health plan if advance credit payments were made for the coverage;

(vi) The name and TIN, or date of birth if a TIN is not available, and dates of coverage for each individual covered under the plan;

(vii) The coverage start and end dates of the qualified health plan;

(viii) The monthly premium for the plan in which the individuals enroll, however—

(A) The premium allocated to benefits in excess of essential health benefits is excluded, see § 1.36B-3(j);

(B) The premium for a stand-alone dental plan allocated to pediatric dental benefits is added, see § 1.36B-3(k), but if a family (within the meaning of § 1.36B-1(d)) is enrolled in more than one qualified health plan, the pediatric dental premium is added to the premium for only one qualified health plan; and

(C) The amount is not reduced for advance credit payments;

(ix) The name of the qualified health plan issuer;

(x) The Exchange-assigned policy identification number;

(xi) The Exchange's unique identifier; and

(xii) Any other information specified by forms or instructions or in published guidance, see § 601.601(d) of this chapter.

(2) *Information reported monthly.* For each calendar month, an Exchange must report to the IRS for each qualified health plan, the information described in paragraph (c)(1) of this section and the following information—

(i) For plans for which advance credit payments are made—

(A) The names, TINs, or dates of birth if no TIN is available, of the individuals enrolled in the qualified health plan who are expected to be the tax filer's dependent; and

(B) Information on employment (to the extent this information is provided to the Exchange) consisting of—

(1) The name, address, and EIN of each employer of the tax filer, the tax filer's spouse, and each individual covered by the plan; and

(2) An indication of whether an employer offered affordable minimum essential coverage that provided minimum value, and, if so, the amount of the employee's required contribution for self-only coverage;

(ii) The unique identifying number the Exchange uses to report data that enables the IRS to associate the data

with the proper account from month to month;

(iii) The issuer's employer identification number (EIN); and

(iv) Any other information specified by forms or instructions or in published guidance, see § 601.601(d) of this chapter.

(3) *Special rules for information reported—*(i) *Multiple families enrolled in a single qualified health plan.* An Exchange must report the information specified in paragraphs (c)(1) and (c)(2) of this section for each family (within the meaning of § 1.36B-1(d)) enrolled in a qualified health plan, including families submitting a single application or enrolled in a single qualified health plan. If advance credit payments are made for coverage under the plan, the enrollment premiums reported to each family under paragraph (c)(1)(viii) of this section are the premiums allocated to the family under § 1.36B-3(h) (allocating enrollment premiums to each taxpayer in proportion to the premiums for each taxpayer's applicable benchmark plan).

(ii) *Alternative to reporting applicable benchmark plan.* An Exchange satisfies the requirement in paragraph (c)(1)(v) of this section if, on or before January 1 of each year after 2014, the Exchange provides a reasonable method that a responsible adult may use to determine the premium (after adjusting for benefits in excess of essential health benefits) for the applicable benchmark plan that applies to the responsible adult's coverage family for the prior calendar year for purposes of determining the premium tax credit on the tax return.

(iii) *Partial month of coverage.—*(A) *In general.* Except as provided in paragraph (c)(3)(iii)(B) of this section, if an individual is enrolled in a qualified health plan after the first day of a month, the amount reported for that month under paragraphs (c)(1)(iv), (c)(1)(v), and (c)(1)(viii) of this section is \$0.

(B) *Certain mid-month enrollments.* For information reporting that is due on or after January 1, 2019, if an individual's qualified health plan is terminated before the last day of a month, or if an individual is enrolled in coverage after

the first day of a month and the coverage is effective on the date of the individual's birth, adoption, or placement for adoption or in foster care, or on the effective date of a court order, the amount reported under paragraphs (c)(1)(iv) and (c)(1)(v) of this section is the premium for the applicable benchmark plan for a full month of coverage (excluding the premium allocated to benefits in excess of essential health benefits), and the amount reported under paragraph (c)(1)(viii) of this section is the enrollment premium for the month, reduced by any amounts that were refunded.

(4) *Exemptions.* For each calendar month, an Exchange must report to the IRS the name and TIN, or date of birth if a TIN is not available, of each individual for whom the Exchange has granted an exemption from coverage under section 5000A(e) and the related regulations, the months for which the exemption is in effect, and the exemption certificate number.

(d) *Time for reporting*—(1) *Annual reporting.* An Exchange must submit to the IRS the annual report required under paragraph (c)(1) of this section on or before January 31 of the year following the calendar year of coverage.

(2) *Monthly reporting*—(i) *In general.* Except as provided in paragraph (d)(2)(ii) of this section, an Exchange must submit to the IRS the monthly reports required under paragraphs (c)(2) and (c)(4) of this section on or before the 15th day following each month of coverage.

(ii) *Initial monthly reporting in 2014.* Exchanges must submit to the IRS the initial monthly report required under paragraphs (c)(2) and (c)(4) of this section on a date that the Commissioner may establish in other guidance, see § 601.601(d) of this section, but no earlier than June 15, 2014. The initial report must include cumulative information for enrollments for the period January 1, 2014, through the last day of the month preceding the month for submitting the initial monthly report.

(3) *Corrections to information reported.* In general, an Exchange must correct erroneous or outdated monthly-reported information in the next monthly report. If the information must be corrected after the final monthly sub-

mission on January 15 following the coverage year, corrections should be submitted by the 15th day of the month following the month in which the incorrect information is identified. However, no monthly report correction is permitted after April 15 following the year of coverage. Errors on the annual report must be corrected and reported to the IRS and to the individual recipient identified in paragraph (f) of this section as soon as possible.

(e) *Electronic reporting.* An Exchange must submit the reports to the IRS required under this section in electronic format. The information reported monthly will be submitted to the IRS through the Department of Health and Human Services.

(f) *Annual statement to be furnished to individuals*—(1) *In general.* An Exchange must furnish to each tax filer or responsible adult (the recipient for purposes of paragraphs (f) and (g) of this section) a written statement showing—

(i) The name and address of the recipient and

(ii) The information described in paragraph (c)(1) of this section for the previous calendar year.

(2) *Form of statements.* A statement required under this paragraph (f) may be made by furnishing to the recipient identified in the annual report either a copy of the report filed with the IRS or a substitute statement. A substitute statement must include the information required to be shown on the report filed with the IRS and must comply with requirements in published guidance (see § 601.601(d)(2) of this chapter) relating to substitute statements. A reporting entity may use an IRS truncated taxpayer identification number as the identification number for an individual in lieu of the identification number appearing on the corresponding information report filed with the IRS.

(3) *Time and manner for furnishing statements.* An Exchange must furnish the statements required under this paragraph (f) on or before January 31 of the year following the calendar year of coverage. If mailed, the statement must be sent to the recipient's last known permanent address or, if no permanent address is known, to the recipient's temporary address. For purposes of this paragraph (f)(3), an Exchange's

first class mailing to the last known permanent address, or if no permanent address is known, the temporary address, discharges the Exchange's requirement to furnish the statement. An Exchange may furnish the statement electronically in accordance with paragraph (g) of this section.

(g) *Electronic furnishing of statements*—(1) *In general.* An Exchange required to furnish a statement under paragraph (f) of this section may furnish the statement to the recipient in an electronic format in lieu of a paper format. An Exchange that meets the requirements of paragraphs (g)(2) through (g)(7) of this section is treated as furnishing the statement in a timely manner.

(2) *Consent*—(i) *In general.* A recipient must have affirmatively consented to receive the statement in an electronic format. The consent may be made electronically in any manner that reasonably demonstrates that the recipient is able to access the statement in the electronic format in which it will be furnished. Alternatively, the consent may be made in a paper document that is confirmed electronically.

(ii) *Withdrawal of consent.* The consent requirement of this paragraph (g)(2) is not satisfied if the recipient withdraws the consent and the withdrawal takes effect before the statement is furnished. An Exchange may provide that the withdrawal of consent takes effect either on the date the Exchange receives it or on another date no more than 60 days later. The Exchange may provide that a request by the recipient for a paper statement will be treated as a withdrawal of consent to receive the statement in an electronic format. If the Exchange furnishes a statement after the withdrawal of consent takes effect, the recipient has not consented to receive the statement in electronic format.

(iii) *Change in hardware or software requirements.* If a change in the hardware or software required to access the statement creates a material risk that a recipient will not be able to access a statement, an Exchange must, prior to changing the hardware or software, notify the recipient. The notice must describe the revised hardware and software required to access the statement

and inform the recipient that a new consent to receive the statement in the revised electronic format must be provided to the Exchange. After implementing the revised hardware and software, the Exchange must obtain a new consent or confirmation of consent from the recipient to receive the statement electronically.

(iv) *Examples.* The following examples illustrate the rules of this paragraph (g)(2):

Example 1. Furnisher F sends Recipient R a letter stating that R may consent to receive the statement required under section 36B electronically on a Web site instead of in a paper format. The letter contains instructions explaining how to consent to receive the statement electronically by accessing the Web site, downloading and completing the consent document, and emailing the completed consent to F. The consent document posted on the Web site uses the same electronic format that F will use for the electronically furnished statement. R reads the instructions and submits the consent in the manner provided in the instructions. R has consented to receive the statement required under section 36B electronically in the manner described in paragraph (g)(2)(i) of this section.

Example 2. Furnisher F sends Recipient R an email stating that R may consent to receive the statement required under section 36B electronically instead of in a paper format. The email contains an attachment instructing R how to consent to receive the statement required under section 36B electronically. The email attachment uses the same electronic format that F will use for the electronically furnished statement. R opens the attachment, reads the instructions, and submits the consent in the manner provided in the instructions. R has consented to receive the statement required under section 36B electronically in the manner described in paragraph (g)(2)(i) of this section.

Example 3. Furnisher F posts a notice on its Web site stating that Recipient R may receive the statement required under section 36B electronically instead of in a paper format. The Web site contains instructions on how R may access a secure Web page and consent to receive the statements electronically. R accesses the secure Web page and follows the instructions for giving consent. R has consented to receive the statement required under section 36B electronically in the manner described in paragraph (g)(2)(i) of this section.

(3) *Required disclosures*—(i) *In general.* Prior to, or at the time of, a recipient's consent, an Exchange must provide to the recipient a clear and conspicuous

disclosure statement containing each of the disclosures described in paragraphs (g)(3)(ii) through (g)(3)(viii) of this section.

(ii) *Paper statement.* An Exchange must inform the recipient that the statement will be furnished on paper if the recipient does not consent to receive it electronically.

(iii) *Scope and duration of consent.* An Exchange must inform the recipient of the scope and duration of the consent. For example, the Exchange must inform the recipient whether the consent applies to each statement required to be furnished after the consent is given until it is withdrawn or only to the first statement required to be furnished following the consent.

(iv) *Post-consent request for a paper statement.* An Exchange must inform the recipient of any procedure for obtaining a paper copy of the recipient's statement after giving the consent described in paragraph (g)(2)(i) of this section and whether a request for a paper statement will be treated as a withdrawal of consent.

(v) *Withdrawal of consent.* An Exchange must inform the recipient that—

(A) The recipient may withdraw consent by writing (electronically or on paper) to the person or department whose name, mailing address, telephone number, and email address is provided in the disclosure statement;

(B) An Exchange will confirm the withdrawal and the date on which it takes effect in writing (either electronically or on paper); and

(C) A withdrawal of consent does not apply to a statement that was furnished electronically in the manner described in this paragraph (g) before the date on which the withdrawal of consent takes effect.

(vi) *Notice of termination.* An Exchange must inform the recipient of the conditions under which the Exchange will cease furnishing statements electronically to the recipient.

(vii) *Updating information.* An Exchange must inform the recipient of the procedures for updating the information needed to contact the recipient and notify the recipient of any change in the Exchange's contact information.

(viii) *Hardware and software requirements.* An Exchange must provide the recipient with a description of the hardware and software required to access, print, and retain the statement, and the date when the statement will no longer be available on the Web site. The Exchange must advise the recipient that the statement may be required to be printed and attached to a Federal, State, or local income tax return.

(4) *Format.* The electronic version of the statement must contain all required information and comply with applicable published guidance (see § 601.601(d) of this chapter) relating to substitute statements to recipients.

(5) *Notice*—(i) *In general.* If a statement is furnished on a Web site, the Exchange must notify the recipient. The notice may be delivered by mail, electronic mail, or in person. The notice must provide instructions on how to access and print the statement and include the following statement in capital letters, "IMPORTANT TAX RETURN DOCUMENT AVAILABLE." If the notice is provided by electronic mail, this statement must be on the subject line of the electronic mail.

(ii) *Undeliverable electronic address.* If an electronic notice described in paragraph (g)(5)(i) of this section is returned as undeliverable, and the Exchange cannot obtain the correct electronic address from the Exchange's records or from the recipient, the Exchange must furnish the notice by mail or in person within 30 days after the electronic notice is returned.

(iii) *Corrected statement.* An Exchange must furnish a corrected statement to the recipient electronically if the original statement was furnished electronically. If the original statement was furnished through a Web site posting, the Exchange must notify the recipient that it has posted the corrected statement on the Web site in the manner described in paragraph (g)(5)(i) of this section within 30 days of the posting. The corrected statement or the notice must be furnished by mail or in person if—

(A) An electronic notice of the Web site posting of an original statement or the corrected statement was returned as undeliverable; and

§ 1.36B-6

26 CFR Ch. I (4-1-23 Edition)

(B) The recipient has not provided a new email address.

(6) *Access period.* Statements furnished on a Web site must be retained on the Web site through October 15 of the year following the calendar year to which the statements relate (or the first business day after October 15, if October 15 falls on a Saturday, Sunday, or legal holiday). The furnisher must maintain access to corrected statements that are posted on the Web site through October 15 of the year following the calendar year to which the statements relate (or the first business day after October 15, if October 15 falls on a Saturday, Sunday, or legal holiday) or the date 90 days after the corrected forms are posted, whichever is later.

(7) *Paper statements after withdrawal of consent.* An Exchange must furnish a paper statement if a recipient withdraws consent to receive a statement electronically and the withdrawal takes effect before the statement is furnished. A paper statement furnished under this paragraph (g)(7) after the statement due date is timely if furnished within 30 days after the date the Exchange receives the withdrawal of consent.

(h) *Effective/applicability date.* Except for the last sentence of paragraph (c)(3)(i) of this section and paragraph (c)(3)(iii) of this section, this section applies to taxable years ending after December 31, 2013. The last sentence of paragraph (c)(3)(i) of this section and paragraph (c)(3)(iii) of this section apply to taxable years beginning after December 31, 2018. Paragraph (c)(3) of § 1.36B-5 as contained in 26 CFR part I edition revised as of April 1, 2016, applies to information reporting for taxable years ending after December 31, 2013, and beginning before January 1, 2019.

[T.D. 9663, 79 FR 26117, May 7, 2014, as amended at 81 FR 91768, Dec. 19, 2016]

§ 1.36B-6 Minimum value.

(a) *In general*—(1) *Employees.* An eligible employer-sponsored plan provides minimum value (MV) for an employee of the employer offering the coverage only if—

(i) The plan's MV percentage, as defined in paragraph (c) of this section, is

at least 60 percent based on the plan's share of the total allowed costs of benefits provided to the employee; and

(ii) The plan provides substantial coverage of inpatient hospital services and physician services.

(2) *Related individuals*—(i) *In general.* An eligible employer-sponsored plan provides MV for an individual who may enroll in the plan because of a relationship to an employee of the employer offering the coverage (a related individual) only if—

(A) The plan's MV percentage, as defined in paragraph (c) of this section, is at least 60 percent based on the plan's share of the total allowed costs of benefits provided to the related individual; and

(B) The plan provides substantial coverage of inpatient hospital services and physician services.

(ii) *Plans providing MV to employees.* If an eligible employer-sponsored plan provides MV to an employee under paragraph (a)(1) of this section, the plan also provides MV for related individuals if—

(A) The scope of benefits is the same for the employee and related individuals; and

(B) Cost sharing (including deductibles, co-payments, coinsurance, and out-of-pocket maximums) under the plan is the same for the employee and related individuals under the tier of coverage that would, if elected, include the employee and all related individuals (disregarding any differences in deductibles or out-of-pocket maximums that are attributable to a different tier of coverage, such as self plus one versus family coverage).

(b) *MV standard population.* [Reserved]

(c) *MV percentage*—(1) *In general.* [Reserved]

(2) *Wellness program incentives*—(i) *In general.* Nondiscriminatory wellness program incentives offered by an eligible employer-sponsored plan that affect deductibles, copayments, or other cost-sharing are treated as earned in determining the plan's MV percentage if the incentives relate exclusively to tobacco use. Wellness program incentives that do not relate to tobacco use or that include a component unrelated to tobacco use are treated as not