## <u>Instructions for Designation Form</u>

Under Internal Revenue Code (IRC) section 6056, applicable large employers (ALE) are required to file information returns with the Internal Revenue Service (IRS) about the health insurance coverage the employer offered its full time employees and to furnish this information to their employees. These requirements go into effect for plan year 2015 with returns due to the IRS (and due to employees) in early 2016. An ALE may be a single entity or may consist of a group of related entities, referred to as ALE members. The reporting requirements apply to each individual ALE member. 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. In the designated person must be part of or related to the same governmental unit as the ALE member.

DIRECTIONS: If the ALE member would like to designate their payroll provider to report on their behalf and the payroll provider accepts this designation, please fill out information under the ALE member information section on the following form and provide a signed copy to your payroll provider for signature. Please send a fully executed copy of the designation form (completed and signed by both parties) to OPM at <a href="mailto:ESR@opm.gov">ESR@opm.gov</a> by January 4, 2015. Please contact Rachel Royster at <a href="mailto:Rachel.Royster@opm.gov">Rachel.Royster@opm.gov</a> or 202.606.4181 with any questions on this designation.

1. <u>ALE Member:</u> Under OPM Benefits Administration Letter 14-207, the applicable large employer (ALE) is the group of civilian, non-Postal, executive agencies that are permitted by statute to participate in the Federal Employees Health Benefits Program (FEHB). The ALE member is each Cabinet level Department, independent agency, board and commission that makes up the ALE. Therefore, the Cabinet Level Department, independent agency, board or commission is the ALE member on the designation form. For example, the ALE member is the Department of Treasury, not the Internal Revenue Service.

Attached is a list of ALE members for purposes of reporting under IRC Section 6056. Also attached is a list of entities that falls outside of the defined ALE. This list was compiled based on information available to OPM and is not meant to be an exhaustive list. Please contact Rachel Royster at OPM (contact information above) with any questions.

- a. <u>ALE Member Name:</u> List the name of your Cabinet level Department, independent agency, board, or commission.
- b. <u>ALE Member Employer Identification Number (EIN):</u> List your ALE member's EIN. If the Cabinet level Department, independent agency, board or commission does not have an Employer Identification Number, they may apply for one here: <a href="https://sa.www4.irs.gov/modiein/individual/index.jsp">https://sa.www4.irs.gov/modiein/individual/index.jsp</a>.
- c. <u>ALE Member Address:</u> List the mailing address of your ALE member.
- d. <u>ALE Member Name</u>: List the name for a contact person responsible for compliance with IRC section 6056. This person will likely be your human resource representative that oversees W-2 reporting.
- e. <u>ALE Member Phone Number</u>: List the office phone number for the contact person responsible for compliance with IRC section 6056.
- f. <u>ALE Member Authorized Signature</u>: Name, title, and signature of the person at your department, agency, board or commission who has authority to make FEHB administration decisions. Also provide the date when signed.
- 2. <u>Designated Person</u>: The designated person is your ALE member's payroll provider. You do not need to fill out this section on the following form; your payroll provider will fill out the information and return a fully executed copy to you. Once you have a fully executed copy, please send to OPM at <u>ESR@opm.gov</u>. By accepting this designation, the designated person accepts reporting responsibilities and will be responsible for any associated penalties under IRC section 6721, 6722, and 6724.

 $<sup>^{1} \</sup> For more information on IRC section 6056, see \underline{http://www.irs.gov/uac/Questions-and-Answers-on-Reporting-of-Offers-of-Health-Insurance-Coverage-by-\underline{Employers-Section-6056}$ 

## Designation of Reporting Responsibilities under Internal Revenue Code Section 6056

The ALE member hereby designates the designated person to fulfill all reporting responsibilities under IRC section 6056. The designated person will file information returns to the IRS on the ALE member's full-time employees' (all full-time employees for purposes of IRC section 4980H) access to health coverage. The designated person will also furnish information statements to the ALE member's employees. This designation meets all requirements under IRC section 6056(e) and is effective under all applicable laws.

By signing this designation, the ALE member and the designated person agree to the following:

- 1. The ALE member is the person subject to the requirements of IRC section 4980H and will thereby be responsible for any assessable penalties under 4980H;
- 2. The designated person agrees to report information (file returns with the IRS and furnish statements to full-time employees) on behalf of the ALE member for purposes of IRC section 6056;
- 3. The designated person agrees to report all full-time employees, as defined by IRC section 4980H, on behalf of the ALE member:
- 4. The designated person is hereby subject to the requirements of IRC section 6056, including information reporting requirements under IRC sections 6721, 6722, and 6724. The designated person is thereby responsible for any assessable penalties under IRC section 6721, 6722, and 6724; and
- 5. The designated person meets the requirements of an appropriately designated person under IRC section 6056(e).

ALE Member Information	Designated Person Information
ALE Member Name:	Designated Person Name:
ALE Member Employer Identification Number (EIN):	Designated Person EIN:
ALE Member Address:	Designated Person Address:
ALE Member Contact Name	
ALE Member Contact Phone Number:	
ALE Member Authorized Signature:	Designated Person Authorized Signature:
Date:	Date:
Name:	Name:
Title:	Title: