

# Employers in Union-Related Group Health Plans Must Still Comply with ACA Reporting Requirements

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Employers who provide health benefits to their union workforce through a multiemployer group health plan must satisfy all the Affordable Care Act (ACA) reporting requirements regarding their union employees.

Employers should not make the mistake of concluding that, because the plan has all the coverage information, only the plan is responsible for the ACA reporting requirements for union employees. Such a mistake could result in the IRS imposing penalties on an employer under Code sections 6721 and 6722 for failure to report (the 2019 reports are generally due in early-2020).

To make the reporting easier for [employers in multiemployer plans](#), the IRS has provided interim, simplified reporting rules.

The ACA requires that medical insurers and large employers file reports to the IRS so that it can determine whether the ACA requirements have been satisfied, and, if not, whether a penalty should be imposed. *Employers who are not large enough to be an Applicable Large Employer or ALE and are not self-insured have no ACA reporting requirements. ALEs are those with an average of at least 50 full-time employees or equivalents during the preceding calendar year.*

## Forms 1094-B (to the IRS) and 1095-B (to covered individuals) – Responsibility of Multiemployer Group Health Plan

Forms 1094-B and 1095-B are used by the providers of minimum essential coverage (such as an insurance carrier or a self-insured multiemployer group health plan) to report coverage information to the IRS and covered individuals. The reported information allows the IRS to evaluate whether an individual satisfied the ACA individual mandate for health plan coverage.

## Forms 1094-C (to the IRS) and 1095-C (to covered employees) – Responsibility of Employer/ALE

Forms 1094-C and 1095-C are used by ALEs to report to the IRS and covered employees the extent and adequacy of the health insurance coverage offered. The IRS uses this information to determine

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whether the employer is subject to the penalties under Code section 4980H.

## **Special Rules for Employers Contributing to Multiemployer Plans**

The IRS has extended the special reporting rules for employers who contribute to multiemployer health plans through at least the 2019 tax year. For purposes of completing Form 1095-C for 2019, an ALE relying on the special rules should complete line 14 of Part II (Employee Offer and Coverage) by using code “1H” (no offer of coverage) and line 16 (indicating the ALE was required to contribute to a multiemployer plan on behalf of the employee for that month). Code “1H” may be entered without regard to whether the employee was eligible to enroll or enrolled in coverage under the multiemployer health plan if contributions were required for the employee.

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