

Tax Forms 1095-B and 1094-B for Multiemployer Plans

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Now mandatory in the 2015 tax year, Form 1095-B is a health insurance [tax form](#) which reports participants and dependents covered as well as the type and period of coverage. The form must be completed in early 2016, to report data for 2015. Form 1095-B is used to verify on participant's individual tax return that they and their dependents have at least minimum qualifying health insurance coverage. If the participant had a break in health care coverage for the tax year, they may incur an "individual shared responsibility payment," also known as a tax penalty.

The Affordable Care Act stipulates that participants who do not have health insurance coverage must pay a penalty when they file their annual tax return. If the participant has health insurance coverage meeting the minimum standard, the participant will receive Form 1095-B directly from the sponsor of the [multiemployer plan](#).

Form 1095-B provides the following four details regarding the participant's coverage:

- Part I identifies the person whose name is on the insurance policy. For a multiemployer-sponsored plan, for example, this would be the name of the participant.
- Part II identifies the sponsor of the multiemployer plan.
- Part III identifies the insurance company providing the coverage.

- Part IV lists the people in the participant's household who are covered by the insurance. For each name, there is a box that will be checked if the person was covered by insurance for all 12 months of the year. If that person wasn't covered for the full year, each month will be listed and checked if the person was covered.

A participant's custody of Form 1095-B is proof that the participant had the type of coverage required by the Affordable Care Act. The tax penalty for not having coverage, which is referred to as the "individual shared responsibility payment", is based in part on how long the participant or members of the participant's household were uninsured. Gaps in coverage of three months or less are exempt from the penalty. If participants were uninsured for part of the year, the check boxes in Part IV will help them calculate the penalty that applies, if any.

Form 1094-B is the transmittal form that multiemployer plans file with the Internal Revenue Service along with copies of Form 1095-B. It requires contact information for the multiemployer plan, a count of the number of Forms 1095-B filed with the transmittal form and a signature certifying that the transmittal form and the accompanying forms are complete and correct.

Now that the forms and instructions have been released, sponsors of multiemployer plans need to be aware of the requirement and should plan accordingly.