

## Multiemployer Plans and the New Health Coverage Reporting

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### Overview

Starting in 2015, employers, plans, and insurers with 50 or more full-time or **full time equivalent employees** are subject to the new Affordable Care Act requirements for additional [reporting and taxes](#). The Internal Revenue Service (IRS) **created Form 1095-B Transmittal of Health Coverage Information and Form 1095-C Employer-Provided Health Insurance Offer and Coverage**, for this additional reporting. The IRS will use this information to determine if an employer owes additional taxes for lack of coverage or if individuals have **minimum essential coverage** and are not required to pay additional taxes.

The IRS acknowledges that multiemployer plan are different in that the terms of the plans are set by the board of trustees and the employees and the employers are subject to [collective bargaining](#). In fact employers may have little day-to-day control over the operation of the multiemployer plan. Due to the unique structure of multiemployer plans, the IRS as provided different reporting requirements necessitating plan sponsors and contributing employers to carefully review their procedures to correctly report the information required by the IRS.

### Form 1095-B Health Coverage

The insurance provider is responsible for filing this form for all fully insured plans. This form reports the health coverage provided by every employer and the employee, spouse, and dependent covered by the plan. Each employee covered by a fully-insured plan will receive a copy of this form from their insurance provider by January 31st. Copies are filed with the IRS by February 28th or March 31st if e-filed.

However, reporting for self-insured plans is the responsibility of the employer or plan sponsor. All employers with self-insured plans with fewer than 50 fulltime employees to must complete this form, leaving the Part II section about insurance provided blank.

Part IV, of Form 1095-B reports on a monthly basis, the name, Social Security Number (SSN) or date of birth of the employee, as well as the spouse, and any dependents covered by the plan. Recordkeeping must be able to report, on a monthly basis, when new employees are eligible for coverage and when employees have left and are no longer covered.

It also is critical to properly define and identify all full-time employees. The IRS defines a full-time employee as a worker with 30 hours a week per calendar month. There are specific definitions for seasonal and part-time employees. Proper accounting of full-time employees determines whether an employer is designated as a [small or large employer](#) which may result in different Form 1095-B reporting requirements for self-insured plans.

### Form 1095-C Employer-Provided Health Insurance Offer and Coverage

Proper accounting of full-time employee is important for Form 1095-C reporting. Employers with fewer than 50 full-time employees are exempt from filing the Form 1095-C. All employers with 50 or more full-time employees will file **Form 1095-C Employer-Provided Health Insurance Offer and Coverage**. A copy of this form is also mailed to the employee by January 31st and all copies filed by the employer must be transmitted to the IRS by February 28 (paper) or March 31 (e-file).

This form is also designed to report all information on a monthly basis. Part I requests standard information about the employee and the employer, while Part II asks what type of coverage was offered, but also asks for information about the employee's share of the lowest cost monthly premium for self-only minimum value coverage, and the safe harbors against additional excise tax Section 4980H, which will require familiarity with the new regulations to answer.

The information reporting relies on the correct use of two new series of code numbers; one for the types of coverage

and the second the new Applicable Safe Harbors to determine coverage affordability. Most filers with insured plans will stop after Part II. But large employers with self-insured plans will continue and complete Part III. This information is what the IRS will use to calculate an additional tax on the employer for not providing enough insurance or for providing insurance that is too expensive. Once given to the employee who uses the information to complete personal income tax returns, the IRS will use the information to determine if the taxpayer received the proper credit, if they received coverage from one of the various exchanges.

### Multiemployer Plans

The issue with multiemployer plans, (where there are multiple contributing employers as well as a Board of Trustees or association, or other elected group of representatives), is who is responsible for filing which form(s)? Multiemployer plans pose a problem for health coverage tax reporting because the coverage provider has some of the information and the various contributing employers have the rest. Who is supposed to file what can be confusing. The IRS instructions provide some reporting relief and the final Treasury Regulations of February 12, 2014 provided additional excise tax relief.

### Fully Insured Multiemployer Plans

Fully insured multiemployer plans will follow the same rules as single plans – Form 1095-B Health Coverage will be filed by the insurance carrier. Fully insured multiemployer plans follow the same rules for filing the offer and coverage information on Form 1095-C as single plan, completing only Parts I & II of the form, if designated an applicable large employer.

### Self-Insured Multiemployer Plans

In general, self-insured single plans have the plan sponsor complete Form 1095-B leaving the insurance provider information in Part III blank. A self-insured multiemployer plan must first determine the plan sponsor. If it is the Board of Trustees, the association, or other group of

representatives of the plan, that body is the plan sponsor and must file Form 1095-B for all covered individuals. Parts I, III and IV are completed. Unlike large single employer self-insured plans which report health coverage on Form 1095-C Part III, if they are subject to the employer shared responsibility provision, multiemployer plans report covered individuals on Form 1095-B.

### Form 1095-C

Fully insured multiemployer plans file Form 1095-C, completing only Parts I & II of the form, if designated an applicable large employer. The insurance company will file a Form 1095-B showing the covered individuals.

However, if the multiemployer plan is self-insured, the employers only complete Parts I and II, and use a special code for the Applicable Safe Harbor (2E) indicating multiemployer guidance applies to the employee and leaves Part III blank. The multiemployer plan will then be responsible for filing Form 1095-B with the covered individual information.

Here are several steps that all employers should take now to be prepared for these new filings:

- Determine if your entity qualifies as an applicable large employer (ALE) with an average of 50 full-time employees on staff.
- Determine if proper reporting methods are in place to capture the monthly payroll and benefit information.
- Secure a contract with software provider. Many providers are reaching capacity for accepting new contracts with the additional reporting needed for existing clients.
- Educate your employees about what they will receive in January, especially if a self-insured plan is involved. This may help to reduce the calls to your point of contact later.
- Familiarize your payroll and benefits staff with all the new reporting requirement, language, and definitions.

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