

August 2015

BENEFITS ALERT: PPACA Reporting Relief

In 2016, large employers (those with at least 50 full time or equivalent employees) are required for the first time to file IRS Form 1095-C (filing in 2016 for 2015), in which they must report the months in which their employees were provided health care coverage. Where the employees participate in a multiemployer plan, this information is held by the plan, and not the employer. As such, many employers have asked plans to provide them with information as to whether or not the employees received health care coverage. However, because this information is likely protected under the HIPAA privacy rules, plans have been reluctant to provide it.

After considering the issue, the IRS has issued new (draft) instructions that allows employers to complete Form 1095-C (at least for 2015) without the need to collect this information from multiemployer plans.

Pursuant to the new instructions, for each union member employee, an employer need only report whether it made a contribution on behalf of the employee to a multiemployer plan, not whether the employee was actually covered by a plan.

We will be preparing a letter that plans can send to their participating employers explaining the new instructions. If you have any questions, please do not hesitate to contact us.

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