

How the UUA Health Plan will handle 1094-B and 1095-B Reporting

Many of you have probably heard from a number of sources – your payroll service, other health insurance companies you deal with, local consultants – that the Affordable Care Act creates mandatory reporting of your employees’ access to health insurance that meets standards for “Minimum Essential Coverage (MEC)”. There is a lot of information of questionable quality floating around – not because the consultants are misinformed, but because the IRS has been more than a little murky in their instructions and “clarifications”.

Here is the latest information we have been able to assemble and crosscheck with our Plan advisors:

1. Your congregation is a small employer for the purposes of reporting under Section 6055 if the IRS Code. No employer in the UUA Health Plan, other than the UUA National Staff, meets the 50-employee test to be considered a large employer (an “Applicable Large Employer” or “ALE”) and report under Section 6056. The insurance company that provides coverage to your employees is required to send a Form 1095-B to each participant by March 31, indicating the period during 2015 for which the participant had coverage that met MEC standards. The UUA Health Plan will issue 1095-B forms on behalf of Plan participants. We are working toward meeting the original deadline of January 31 for issuing the forms.
2. When employees file their 2015 federal tax returns, they will check a box saying they had MEC. They will not attach a copy of their 1095-B – the prescribed deadline of March 31 is clearly not a convenient one for tax filers.
3. The UUA Health Plan will handle the 1094-B filing with the IRS – 1094-B is a summary report of the 1095-B forms we issue. You as the employer have no responsibility for this filing.
4. The IRS points out in their instructions that some employees can expect to receive multiple 1095 forms this tax season: the 1095-B form from plans like ours, on behalf of small employers, if they worked for and had insurance through more than one employer in 2015, possibly a 1095-A form if they were in an Exchange plan for a portion of the year, and possibly a 1095-C form, if they worked for an employer with 50 or more employees. In their own way, the IRS is saying that they expect chaos this first time around.
5. As long as employers, employees, and insurance plans make a good faith effort to comply with IRS instructions, there will be no penalties assessed to anyone. A year from now, enforcement is likely to tighten, and we will be prepared to deal with all of the shifting requirements.