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# Affordable Care Act Reporting for Union Employees

AFFORDABLE CARE ACT (ACA), TAX  
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Many employers are preparing themselves for their upcoming filing responsibilities under the Affordable Care Act (ACA). One area that has caused some uncertainty is how union employees affect reporting requirements for Applicable Large Employers (ALEs).

First, it is important to understand that union employees are included in the calculation of the total number of full-time equivalent employees (FTEEs) for ALEs and Aggregate ALE Groups. Therefore, an employer with ten non-union full-time employees and forty union full-time employees would have a total of fifty FTEEs and qualify as an ALE subject to the reporting requirements under the ACA.

It is ultimately the employer's responsibility to file Forms 1094-C and 1095-C, even when an employee participates in a multiemployer plan, such as a union plan.

However, an employer may work with and seek assistance from the union in order to compile the necessary information and complete the forms.

An ALE qualifies as offering health coverage to an employee if the employer is required by an agreement (i.e., a collective bargaining agreement) to make contributions for that employee to a multiemployer plan. The multiemployer plan however, must offer affordable minimum essential coverage that provides minimum value. It must also offer health coverage to those individuals' dependents or must be eligible for section 4980H transition relief regarding offers of coverage to dependents.

An ALE should enter codes 1H and 2E on lines 14 and 16 of Part II respectively on Form 1095-C, for any month a union employee was a full-time employee of the ALE during 2015, as long as the ALE contributes to a multiemployer plan that provides qualifying coverage as discussed above. These codes indicate that the ALE did not offer health coverage to the union employee because the ALE is required by a collective bargaining agreement to make contributions for that employee to a multiemployer plan that provides qualifying coverage.

When an ALE is contributing to a multiemployer plan on behalf of its full-time union employees, the ALE should include those employees as having been offered minimum essential coverage when calculating whether the ALE offered minimum essential coverage to at least 70% of its full-time employees (95% after 2015). If an ALE determines it has offered minimum essential coverage to at least 70% of its total full-time employees including full-time union employees as determined above, an ALE would check the "yes" box on Form 1094-C, Part III, Column (a) for all applicable months for 2015.

In some cases, certain unions have been proactive and have already provided letters to employers with guidance on how to treat their union employees for ACA reporting.

In many cases, the information in the letters provides accurate guidance. However, employers should not rely solely on such letters to determine their filing requirements.

Please contact us if you have any questions regarding your reporting requirements under the ACA and visit the [Our Thoughts On](#) blog for more articles pertaining to the Affordable Care Act.

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