

**M E M O R A N D U M**

**TO:** Board of Trustees, PAMCAH-UA Local 675 Health and Welfare Fund

**FROM:** Sarah Kanter and Xiaolu Xu

**CC:** Erinn Liu and Jenny Chan

**DATE:** January 16, 2025

**RE:** Updated Rules for Furnishing Tax Form 1095-B to Participants

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At the end of last year, the Paperwork Burden Reduction Act (“PBRA”) was signed into law. The PBRA amended provisions under the Patient Protection and Affordable Care Act (“ACA”) that require employers and health care coverage providers to furnish tax forms to covered individuals showing proof of minimum essential coverage. This amendment codified and extended the relief already permitted by the regulations published in 2022. Specifically, the PAMCAH-UA Local 675 Health and Welfare Fund (“Fund”) will no longer be required to mail the Form 1095-B to participants and instead can provide the form only upon request (provided that the Fund follows the procedures outlined in this memo).

**Background – Form 1095-B**

Under the ACA, the Fund is required to report information to the Internal Revenue Service (“IRS”) for each participant to whom it provides “minimum essential coverage.” This information includes the participant’s name and tax identification number. Additionally, the Fund is required to furnish a copy of this information annually to each covered individual using Form 1095-B.<sup>1</sup> The Fund can meet this furnishing requirement by either mailing paper copies of Form 1095-B to participants or sending them electronically, as long as they consent in advance. The deadline to furnish the 2024 Form 1095-B is **March 3, 2025**. In 2022, the Treasury Department and the IRS released a final rule that provides an alternative method for furnishing Form 1095-B (the “2022 regulations”). Under this rule, the Fund is allowed to furnish Form 1095-B to individuals only upon request, provided that the Fund posts a notice in accordance with the IRS requirements. The Fund has not yet adopted this alternative furnishing method and mails the Form 1095-B to each covered individual.

**The Paperwork Burden Reduction Act**

The PBRA codified and slightly modified the IRS alternative furnishing method, allowing the Fund to furnish Form 1095-B to individuals only upon request, provided that the Fund posts a “clear, conspicuous, and accessible notice” that an individual can request the form upon request.

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<sup>1</sup> Contributing employers are required to report certain information about its full-time employees’ health coverage, which assists the IRS in enforcing the employer shared responsibility penalty. This reporting is done on Form 1095-C.

The notice must be posted by **March 3, 2025**.<sup>2</sup> The IRS previously issued guidance on the content of this notice in the 2022 regulations and we understand that it will be issuing further guidance in light of the PBRA (however we believe that it is unlikely to occur before the end of this month). We believe that until official IRS guidance is released, the Fund can comply with the PBRA requirements as follows:

1. Provide a clear and conspicuous notice, in a location on the Fund's website that is reasonably accessible to all participants, stating that the participants may receive a copy of their Form 1095-B upon request. The notice must meet certain additional content requirements as specified in the 2022 regulations.
2. The notice must be posted by March 3, 2025, and remain in the same location on the website through October 15, 2025.
3. The 1095-B Form must be provided to a participant within 30 days of their request.

We note that the PBRA does not impact the requirement for the Fund to **prepare and file** the 2024 Form 1095-B with the IRS by **March 31, 2025**. If the Fund determines not to adopt this alternative furnishing method, it must continue mailing the 2024 Form 1095-B to participants by **March 3, 2025**.

Assuming the Trustees want to adopt this new, less burdensome, furnishing process, the Fund should ensure that the applicable notice is posted no later than **March 3, 2025**. We will work with the Ad Office in drafting the notice.

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<sup>2</sup> Under the 2022 regulations, the Fund would be required to post the notice by January 31, 2025. However, the 2022 regulations establish an automatic, 30-day extension of time to meet the furnishing requirement. Under current IRS guidance, the deadline to post the notice is March 3, 2025 (which aligns with the deadline to furnish the Form 1095-B to covered individuals).