

October 20, 2015

As you may know, the Affordable Care Act (ACA or Health Care Reform) requires all plans offering health coverage and applicable large employers and to report to the Internal Revenue Service (IRS) certain information regarding the coverage offered to full-time employees. This is often referred to as 6055 & 6056 reporting and is reported via two sets of forms:

1. 1094-B and 1094-B for 6055 reporting and
2. 1095-B and 1095-C for 6056 reporting.

These reporting obligations are effective beginning with the coverage offered during the 2015 calendar year and the filing is generally due to the IRS no later than February 29, 2016 (March 31, 2016 if filing electronically). Additionally, copies of the report must be provided to all covered individuals and full-time employees by February 1, 2016. This is an ongoing, annual obligation for plans and applicable large employers.

The first step to understanding your reporting obligation as an employer is to determine whether you are an applicable large employer (ALE). An ALE, for this purpose, generally means an employer that employed an average of 50 or more full-time employees (those employees who worked an average of 30 hours per week) and full-time employee equivalents (generally, a representative number of the employer's part-time, flex-time and seasonal employees) during the prior calendar year. The rules for determining ALE status are complex. Accordingly, you should consult with your tax and/or legal advisor for specific compliance assistance.

If you determine that you are not an ALE, no further action is required. The Fund will file the companion reports (1094-B and 1095-B) and provide the requisite disclosures to all covered individuals required under Section 6055 of the ACA.

However, if you determine that you are an ALE that is subject to the 6056 reporting requirements, you, as the employer, must file the requisite forms (1094-C and 1095-C) and provide all employees with copies of the reports by no later than the deadlines stated above.

Currently, the Health Insurance Portability and Accountability Act (HIPAA) prohibits the Fund from providing contributing employers of multiemployer plans with the enrollment information required to fulfill their reporting obligation. In response to comments received regarding this issue, the IRS issued guidance in the instructions to Forms 1094-C and 1095-C for the 2015 filings.

An employer is treated as offering health coverage to an employee if the employer is required by a collective bargaining agreement or

related participation agreement to make contributions for that employee to a multiemployer plan that offers, to individuals who satisfy the plan's eligibility conditions, health coverage that is affordable and provides minimum value, and that also offers health coverage to those individuals' dependents or is eligible for the section 4980H transition relief regarding offers of coverage to dependents.

If you determine that you qualify for this multiemployer transition relief, you may be eligible for simplified reporting, as described on page 9 of the draft instructions for Forms 1094-C and Form 1095-C:

For reporting offers of coverage for 2015, an employer relying on the multiemployer arrangement interim guidance should enter code 1H on line 14 for any month for which the employer enters code 2E on line 16 (indicating that the employer was required to contribute to a multiemployer plan on behalf of the employee for that month and therefore is eligible for multiemployer interim rule relief). For reporting for 2015, **Code 1H may be entered without regard to whether the employee was eligible to enroll in coverage under the multiemployer plan.** For 2016 and future years, reporting for offers of coverage made through a multiemployer plan may be reported in a different manner. (emphasis added)

While this reporting obligation is the responsibility of the individual employer, the Fund is permitted to provide employers with the following Fund-specific information that should assist you in determining whether you qualify for the multiemployer transition relief and completing the report:

- The Fund offers minimum value coverage to employees who meet the Fund's eligibility requirements. The Fund also offers minimum value coverage to Dependent children and spouses.
- The Fund's waiting period complies with the ACA rules.
- The Fund does not require any employee contributions for active coverage.

Please be aware that this relief applies only to your employees who participate in the Fund (or other multiemployer plans where the transition relief applies). How you report your employees who do not participate in the Fund will depend upon the coverage offered to them. You will need separate information to report those employees' coverage. You may wish to seek assistance from your benefits consultant, tax advisor, broker and/or legal counsel on the specific information you will need and assistance with completing and filing the requisite reports.

Finally, the transitional relief has only been extended to the 2015 filings. The Fund is diligently working to keep abreast of any new developments that will allow the Fund to provide

more assistance to contributing employers and will notify you if new information becomes available.

More information on these requirements is available on the IRS website: <http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Reporting-of-Offers-of-Health-Insurance-Coverage-by-Employers-Section-6056> and <http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-about-Information-Reporting-by-Employers-on-Form-1094-C-and-Form-1095-C>.

Please contact the Fund Office if you have any questions regarding the above.