



# Buffalo Laborers' Benefit Funds

25 Tyrol Drive • Suite 200 • Cheektowaga, New York 14227

Phone (716) 894-8061

Fax (716) 668-8589

Administrator: Thomas L. Panek, CPA

To: Contributing Employers

Subject: Buffalo Laborers Welfare Fund (the "Fund")  
Affordable Care Act – Employer Reporting Requirements

Under the Affordable Care Act, large employers – generally, those with at least 50 full-time (or full-time equivalent) employees – will have to report to the IRS on health coverage offered to their full-time employees, and distribute statements to their employees. The reports will be made on new IRS Forms 1095-C and 1094-C, beginning in early 2016 for coverage provided in 2015. Note that this obligation to report is yours, not the Fund's; the Fund has a separate obligation to report on different forms (IRS Forms 1095-B and 1094-B) the coverage it provides. We urge you to consult with your own tax or employee benefits consultants on your ACA reporting obligations, but we provide the following information for your convenience.

The IRS recently revised the Instructions to the Forms 1094-C and 1095-C that you will need to complete. These revised Instructions include special rules (for 2015 coverage reporting) for employers that contribute to multiemployer plans, such as the Fund's plan of benefits (the "Plan"). Specifically, if certain conditions are met, the new Instructions eliminate the need for employers to obtain any specific information from the Fund about their employee's actual eligibility for, or enrollment in, the Plan.

Under the new instructions, which can be found at <http://apps.irs.gov/app/picklist/list/formsPublications.html>, the IRS is now permitting employers who are relying on the multiemployer interim rule relief for an employee to use a simplified reporting method for 2015. Those employers can just put code 1H on line 14 and code 2E on line 16 on the Form 1095-C for each month in which the employer was required to contribute to a multiemployer plan on behalf of the employee. This means that if the employer is eligible for the simplified reporting, it does not need information from the Fund about whether the employee was actually offered, or enrolled in, coverage.

Employers can use this simplified reporting only if certain conditions are met. Under the Instructions, to use the codes, an employer must be required to make contributions to a multiemployer plan by a collective bargaining agreement (CBA) or participation agreement. The plan must offer employees who meet its eligibility requirements coverage that provides minimum value and that is affordable, and the plan must offer coverage for children up to age 26.

The coverage offered by the Buffalo Laborers Welfare Plan provides minimum value, and it offers coverage to children until they are 26.

Whether coverage is affordable will depend on each employee's income, and must be determined by each employer. Coverage is affordable only if the lowest-cost annual employee contribution for self-only coverage does not exceed 9.56% of the employee's annual household income. The current annual premium for the lowest-cost self-only coverage offered by the Plan is \$[•][P1]. An employee who is working 30 hours a week would have employer contributions to the Plan of \$[•] per week, of which \$[•] is allocated to the Health Care Account to pay this premium (if the Health Care Account balance is up to \$3,000).

There are other ways to measure affordability, including using Form W-2 wages, the employee's rate of pay, or the wages reported to the Plan under the CBA or participation agreement. You may want to discuss these with your professional advisors.

\* \* \*

**The information contained in this letter is being provided as a courtesy and does not constitute legal or tax advice.** The Fund cannot advise you on your company's ACA reporting obligations or the application of IRS Instructions to your company's specific situation. We encourage employers to consult with their advisors regarding their own ACA compliance. For further information about the ACA employer reporting requirements, go to <http://www.irs.gov/Affordable-Care-Act/Employers>.