

September 16, 2015

TO: All Contributing Employers to the IBEW Local 351 Welfare Fund

Dear Employer:

The Affordable Care Act (ACA) requires that all Applicable Large Employers (ALEs) must complete and file IRS forms 1094-C and 1095-C in 2016 for calendar year 2015. There has been substantial confusion regarding the reporting obligation of ALEs relative to contributions made to Multiemployer Health and Welfare Funds (like the IBEW Local 351 Welfare Fund) on behalf of employees.

The IRS recently released draft instructions for Forms 1094-C and 1095-C for 2015. These instructions indicate that ALEs contributing to multiemployer group health plans should fill in Part II, line 14 by using code 1H if it used code 2E on line 16. Form 1095-C has three parts:

- Part I concerns information on the employee and the employer
- Part II concerns information on the Employer's offer of coverage.
- Part III concerns information on covered individuals

In addition, the draft instructions specifically state that ALEs that are contributing employers under the multiemployer arrangement interim guidance do not fill out Part III.

Reporting by ALEs that contribute to a multiemployer health plan is subject to transition relief. This transition relief was summed up on page 15 of the draft 2015 Instructions to Forms 1094-C and 1095-C:

“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.”

Regarding this guidance, the IBEW Local 351 Welfare Fund provides coverage that is affordable and provides minimum value, and that also offers health coverage to those individuals' dependents.

In addition, as required by the ACA, the IBEW Local 351 Welfare Fund will be issuing IRS Form 1095-B to all individuals that were covered for any period during calendar year 2015.

In summary, pursuant to the new instructions, for each union member employee, an employer need only report whether it made a contribution on behalf of the employee to a multiemployer plan, not whether the employee was actually covered by a plan.

This letter is not intended to be specific advice for every contributing employer. Employers need to check with their own legal and accounting professionals regarding their specific reporting obligations.

Should have any questions about this information please feel free to contact me and the address above.

Very truly yours,

A handwritten signature in black ink, appearing to read "G. Shaffer", with a long horizontal flourish extending to the right.

Glenn D. Shaffer
Administrator