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TO: Board of Trustees, U.A. Local 467 Health and Welfare Plan
FROM: Richard K. Grosboll and Lois H. Chang, Trust Counsel
RE: **ACA Employer Shared Responsibility & Minimum Essential Coverage Reporting Summary**

We provide this summary to assist Contributing Employers and the UA 467 Health and Welfare Plan ("Plan") with fulfilling the 2016 reporting and disclosure requirements (for coverage provided in 2015) under Internal Revenue Code Sections 6055 and 6056. Although some individuals have the perception that reporting has to be done for 2014, that is not the situation. There is a one-year phase in period, with completion of the forms being voluntary. We see no reason to do so.

Section 6055 requires the Plan Sponsor of self-insured plans (both single employer & multiemployer plans) and Insurers of insured plans to report minimum essential coverage to the IRS and to the primary covered individuals. **Section 6056** requires Large Employers (those with 50 or more full-time employees) to report information about coverage offered to their employees to the IRS and those covered individuals for purposes of satisfying the shared responsibility mandate. Forms 1095-B and 1095-C will be provided to covered individuals and filed with the IRS. Forms 1094-B and 1094-C will be filed with the IRS (but, not distributed to individuals). There are special rules for Contributing Employers who have employees eligible to participate in multiemployer plans (such as employers contributing to this Plan).

Minimum Essential Coverage Reporting (Forms 1094-B and 1095-B)

- For this Plan's HMO benefits, **Kaiser** would file Form 1094-B with the IRS *and* send Form 1095-B to those covered participants (including filing same with the IRS).
- For this Plan's Indemnity benefits, **the Plan (through the Fund Administrator)** would file Form 1094-B with the IRS *and* send Form 1095-B to those covered participants (including filing same with the IRS).

Employer Shared Responsibility Reporting (Forms 1094-C and 1095-C)

- For all its non-CBA employees (not eligible to participate in the Plan), the **Employer** would file Form 1094-C with the IRS *and* send Form 1095-C to all its non-CBA employees.
- For participants in the Plan's Indemnity & HMO benefits, the **Plan may (but is not required to) assist the Contributing Employers** in furnishing Form 1095-C to CBA covered employees (including filing same with IRS) *and* file separate 1094-C on behalf of Contributing Employer for CBA covered employees.

Responding to Participant Requests for Proof of Coverage

We understand that Plan Administrators and Union Officers are receiving phone calls from Participants asking about their obligations to provide proof of their 2014 health coverage to their tax preparers. But, that is not necessary. Most tax preparers will accept a statement from their client that he or she had coverage, and then simply check line 61 on the tax return indicating the person had coverage. That is acceptable and the norm. That said, we recognize that some tax preparers believe it prudent to have documentation supporting that answer. Although there is no statutory obligation for the Plan to provide proof of coverage to a tax preparer or Participant, the Plan may choose to do so. If the Participant is requesting proof of coverage, the Plan could develop a form response on the Plan's letterhead stating that a particular individual had coverage for nine or more months during 2014. We recognize that that may be a slight burden on the Plan Office but that may be the easiest approach. We anticipate that not many Participants would request such documentation. But, any reliable documentation could work, including an e-mail from the Plan office or explanation of benefit forms (although a

participant may not have such for 9-12 months). A few Plans provide a monthly or quarterly statement of coverage as a matter of course. Such a statement would suffice.

	§ 6056 EMPLOYER SHARED RESPONSIBILITY REPORTING		§ 6055 MINIMUM ESSENTIAL COVERAGE REPORTING	
	Form 1094-C (IRS TRANSMITTAL)	Form 1095-C (EMPLOYER PROVIDED HEALTH INSURANCE)	Form 1094-B (IRS TRANSMITTAL)	Form 1095-B (HEALTH COVERAGE)
Who Reports	Plan Administrator (may report for CBA covered employees but Employer has ultimate responsibility) & Employer (for non-CBA covered employees)	Plan Administrator/TPA (may assist) or Employer (has ultimate responsibility)	Insurers & Plan Administrator on behalf of self-insured Multiemployer plan	Insurers & Plan Administrator on behalf of self-insured Multiemployer plan & Employer of self-insured plan
To Whom	To IRS	To Employee & IRS	To IRS	To Responsible Individual/ Primary Insured (Ex. Employee, Early Retirees, COBRA beneficiaries, Parent) & IRS
Due	2/29/2016 or 3/31/2016* (if file electronically) & annually thereafter by Feb. 28 th following calendar year of coverage	2/1/2016 (Initial Date) & annually thereafter by Jan 31 st following calendar year of coverage	2/29/2016 or 3/31/2016* (if file electronically) & annually thereafter by Feb. 28 th following calendar year of coverage	2/1/2016 (Initial Date) & annually thereafter by Jan 31 st following calendar year of coverage
IRS Instructions to Draft Forms	<ul style="list-style-type: none"> ▪ Plan Administrator can file separate 1094C on behalf of Contributing Employer. ▪ Each Employer must file only one single "Authoritative Transmittal" Line 19 (report aggregate employer-level data for all FT employees, including those reported by multiemployer Plan Admin. and those who were not). 	<ul style="list-style-type: none"> ▪ Only One Employee Statement (1095C) is allowed to be sent to each employee with respect to employment with that Employer. ▪ Contributing Employer to Multiemployer Plan or Employer sponsoring insured Plan should NOT complete Part III 1095C (Instead, Insurer or Multiemployer Plan will provide health coverage info to enrolled employees). ▪ Employer sponsoring Self-insured plan, should complete Part III 1095C for any individual (including employee, family member) enrolled in self-insured plan. ▪ Part II, line 16 (Multiemployer plans permitted to enter Multiemployer Interim Relief code**). 	<ul style="list-style-type: none"> ▪ Insurer of insured multiemployer plan will file 1094B with IRS. ▪ Insurer of employer sponsoring insured plan will file 1094B with IRS. ▪ Line 9 requires Filer to enter total # of 1095B (statements to individual) being transmitted with 1094B 	<ul style="list-style-type: none"> ▪ Insurer of insured multiemployer plan will file with IRS and send 1095B to covered individual. ▪ Insurer of employer sponsoring insured plan will file with IRS and send 1095B to covered individual. ▪ Plan Administrator of self-insured multiemployer plan will file with IRS and send 1095B to covered individual. ▪ Part II completed only by Insurer of insured plan. ▪ Part III completed by Insurer or Plan Administrator (for self-insured multiemployer plan). ▪ To prevent duplication, Employer sponsoring self-insured plan and subject to both 6055 & 6066 reporting requirements can file combined statements and will report on Part III 1095C and skip Part II 1095B (but complete Part III and enter Code B on line 8).
Website	<p>For Draft Form 1094-C: http://www.irs.gov/pub/irs-dft/f1094c--dft.pdf</p> <p>For Draft Instructions: http://www.irs.gov/pub/irs-dft/i109495c--dft.pdf</p>	<p>For Draft Form 1095-C: http://www.irs.gov/pub/irs-dft/f1095c--dft.pdf</p> <p>For Draft Instructions: http://www.irs.gov/pub/irs-dft/i109495c--dft.pdf</p>	<p>For Draft Form 1094-B: http://www.irs.gov/pub/irs-dft/f1094b--dft.pdf</p> <p>For Draft Instructions: http://www.irs.gov/pub/irs-dft/i109495b--dft.pdf</p>	<p>For Draft Form 1095-B: http://www.irs.gov/pub/irs-dft/f1095b--dft.pdf</p> <p>For Draft Instructions: http://www.irs.gov/pub/irs-dft/i109495b--dft.pdf</p>

* Must file electronically with IRS if required to file 250 or more returns.

** Employer treated as offering coverage to employee if required by the CBA to make contributions on behalf of employee; contributes to multiemployer plan that is affordable and provides minimum value; also offers coverage to dependents.