

**IBEW Local 347 Electrical Workers
Fringe Benefit Funds**

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To: IBEW Local 347 Electrical Workers Health and Welfare Fund's Contributing Employers

Re: Affordable Care Act Reporting Requirements Applicable to Contributing Employers

As you may know, starting in 2016, the Affordable Care Act ("ACA") has required certain employers to provide annual statements to employees and the Internal Revenue Service ("IRS") regarding health coverage provided to employees during the prior calendar year ("ACA Reporting Requirements"). The employers subject to these ACA Reporting Requirements are referred to as Applicable Large Employers ("ALEs"). ALEs must provide these annual statements to employees on the IRS Form 1095-C ("1095-C") and to the IRS on the IRS Forms 1094-C ("1094-C") and 1095-C (collectively, "C Forms").

The purpose of this letter is to help you comply with the ACA Reporting Requirements and provide you information that you need to complete the C Forms for employees on whose behalf you contribute to the IBEW Local 347 Electrical Workers Health and Welfare Fund ("347 Plan"). This letter is divided into the following sections, which are summarized in the chart on page 3 of this letter:

1. What employers are considered ALEs?
2. If I am not an ALE, do I have to complete the C Forms and provide them to my employees and/or the IRS?
3. If I am an ALE, how do I comply with the ACA Reporting Requirements for my employees on whose behalf I contribute to the 347 Plan?
4. Who should I contact if I have questions and/or want additional information?

Please note that the 347 Plan is providing you this letter for informational purposes only. The information in this letter is not intended to constitute legal advice and should not be construed as legal advice.

1. What employers are considered ALEs?

Generally, an employer is an ALE if it had an average of at least 50 full-time employees or employee equivalents (including both union and non-union employees) in the prior calendar year.

The IRS developed a website to help employers determine whether they are an ALE. This website is available at: <https://www.irs.gov/Affordable-Care-Act/Employers/Determining-if-an-Employer-is-an-Applicable-Large-Employer>.

2. If I am not an ALE, do I have to complete the C Forms and provide them to my employees and/or the IRS?

No, if you are not an ALE you do **NOT** have to provide the C Forms to your employees and/or the IRS.

In early 2018, the 347 Plan will provide an IRS 1095-B Form to each individual that was a participant in the Plan during the 2017 calendar year. The 347 Plan will submit all of these IRS 1095-B Forms and an IRS 1094-B Form (collectively, "B Forms") to the IRS. This means that each of your employees that was a participant in the 347 Plan during the 2017 calendar year will receive an IRS 1095-B Form from the 347 Plan. This also means that you do not need to do anything to comply with the ACA reporting requirements with respect to your employees on whose behalf you contribute to the 347 Plan.

3. If I am an ALE, how do I comply with the ACA Reporting Requirements for my employees on whose behalf I contribute to the 347 Plan?

If you are an ALE, you are required to complete a 1095-C form for each of your employees that was a full-time employee at any time during the 2017 calendar year. You must provide the completed 1095-C forms to each of these employees by January 31, 2018.

You are also required to provide these 1095-C forms to the IRS with a completed 1094-C transmittal form. If you are filing the C Forms with the IRS by paper, you must provide them to the IRS by February 28, 2018. If you are filing the C Forms with the IRS electronically, you must provide them to the IRS by April 2, 2018.¹

The following information is intended to help you prepare the 1095-C forms for employees on whose behalf you remitted contributions to the 347 Plan during the 2017 calendar year:

- **Part I of the 1095-C form asks for information about you and the employee.** You should provide all of the information requested in Part I.
- **Part II of the 1095-C form has a blank for the “Plan Start Month”.** The IRS 2017 Instructions for Forms 1094-C and 1095-C (“2017 IRS Instructions”) provide that employers may either leave this line blank or enter the two-digit number indicating the calendar month during which the plan year begins. The 347 Plan year begins on January 1. Thus, you may either leave this line blank or enter “01”.
- **Part II of the 1095-C form asks for information about the offer of coverage (if any) made to the employee for each month during the 2017 calendar year.**² The 2017 IRS Instructions include the same multiemployer arrangement interim guidance that was included in both the IRS 2016 and 2015 Instructions for Forms 1094-C and 1095-C. This means that if an employer is required to remit contributions to a multiemployer plan pursuant to a collective bargaining agreement or related participation agreement, the employer may rely on multiemployer arrangement interim guidance if the multiemployer plan offers health coverage that is affordable and provides minimum value to employees that satisfy the plan’s eligibility conditions and minimum essential coverage to dependents of those employees. This also means that an employer relying on the multiemployer arrangement interim guidance should enter code 1H on line 14, nothing on line 15, and code 2E on line 16 for each month that the employer was required to contribute to a multiemployer plan on behalf of the employee.

The 347 Plan offers health coverage that is affordable and provides minimum value to your collectively bargained employees that satisfy the 347 Plan’s eligibility criteria.³ The 347

¹ If you are filing 250 or more 1095-C Forms you are required to file them electronically. You may receive an automatic 30 day extension to file the C Forms with the IRS. To obtain the 30 day extension, you must file Form 8809 with the IRS on or before the regular due date for the C Forms. The 30 day extension only extends the time you have to file the C Forms with the IRS. You must furnish a copy of the 1095-C Forms to employees by January 31, 2018 regardless of whether or not you received an extension to file the C Forms with the IRS.

² The definitions set forth in the 2017 IRS Instructions shall govern the meaning of the following terms when they are used in this bullet point: (a) dependent; (b) health coverage; (c) minimum essential coverage; and (d) minimum value.

³ The 347 Plan also offers health coverage that provides minimum value to non-collectively bargained employees and dependent children of non-collectively bargained employees that satisfy the 347 Plan’s eligibility criteria. The determination of whether the health coverage provided by the 347 Plan to non-collectively bargained employees is affordable depends on whether the employee pays a portion of the premium. If you (i.e. the employer) pay the entire premium for the non-bargained employee, the health coverage provided by the 347 Plan is affordable. If the non-

Plan also provides health coverage to the dependent children of those employees. Thus, for a collectively bargained employee on whose behalf you remitted contributions to the 347 Plan for all 12 months of the 2017 calendar year, you should enter code 1H on line 14, nothing on line 15 (i.e. leave it blank), and code 2E on line 16 of the “All 12 Months” column. For a collectively bargained employee on whose behalf you remitted contributions to the 347 Plan for some, but not all, months of the 2017 calendar year, you should enter code 1H on line 14, nothing on line 15 (i.e. leave it blank), and code 2E on line 16 for each month that you remitted contributions to the 347 Plan on behalf of the employee. You should consult with your attorney or tax advisor to determine what you should enter on lines 14, 15, and 16 for the months that you did not remit contributions to the 347 Plan on behalf of the employee.

- **Part III of the 1095-C form asks for information regarding an employer’s self-insured coverage.** The 2017 IRS Instructions provide that you should leave Part III blank.

The following chart summarizes the information in Sections 1, 2, and 3 of this letter. The information in this chart only applies to employees on whose behalf you contribute to the 347 Plan. The chart is not intended to (and should not be used to) provide information and/or help you comply with the ACA Reporting Requirements that apply to your other employees.

If you are...	You comply with the ACA Reporting Requirements By...	The due date for complying with the ACA Reporting Requirements is...	You complete the 1095-C form by...
Not an ALE (i.e. you did not have at least 50 full-time employees during the 2016 calendar year).*	You do not need to do anything.	N/A	N/A
An ALE (i.e. you had at least 50 full-time employees during the 2016 calendar year).*	You must complete a 1095-C form for each employee that was a full-time employee at any time during the 2017 calendar year. You must provide these forms to employees by the date listed in the next column. You must also complete a 1094-C transmittal form and submit it to the IRS with all of the 1095-C forms by the date listed in the next column.	To Employees: the 1095-C must be provided by January 31, 2018. To the IRS: The 1094-C and the 1095-C Forms must be provided by February 28, 2018 if filing by paper or by April 2, 2018 if filing electronically.**	Line 14: Code 1H Line 15: Leave Blank Line 16: Code 2E (multiemployer interim rule relief). Do not complete Part III.

bargained employee pays a portion of the premium, the determination of whether the coverage provided by the 347 Plan is affordable is more complex and should be discussed with your attorney or tax advisor.

- * To determine whether or not you have at least 50 employees, you must count of all of your full-time employees not just those for whom you contributed to the 347 Plan.
- ** If you file 250 or more C Forms, you must file them electronically. You may receive an automatic 30 day extension to file the C Forms with the IRS. To obtain the 30 day extension, you must file Form 8809 with the IRS on or before the regular due date for the C Forms. The 30 day extension only extends the time you have to file the C Forms with the IRS. You must furnish a copy of the 1095-C Forms to employees by January 31, 2018 regardless of whether or not you received an extension to file the C Forms with the IRS.

4. Who should I contact if I have questions and/or want additional information?

If you have questions and/or want additional information about the coverage provided by the 347 Plan, you should contact the 347 Plan's Fund Office at (844)347-4239.

If you have specific questions regarding the ACA Reporting Requirements, including but not limited to, questions regarding whether or not you are an ALE and/or questions regarding how to complete the C Forms, you should contact your attorney or tax advisor.

Although the 347 Plan wants to help you comply with the ACA Reporting Requirements, the 347 Plan **cannot** complete and/or provide the C Forms to your employees and/or the IRS. Further, the 347 Plan **cannot** provide you legal advice regarding compliance with the ACA. The information in this letter is not intended to constitute legal advice and should not be construed as legal advice.

If you have any questions, please do not hesitate to contact the 347 Plan's Fund Office.