

NATIONAL ELEVATOR INDUSTRY HEALTH BENEFIT PLAN

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To: National Elevator Industry Health Benefit Plan Contributing Employers

From: Robert Betts, Executive Director

Re: Affordable Care Act Reporting Requirements

This notice provides information about new annual employer reporting requirements imposed by the Affordable Care Act (ACA). Generally, the ACA's "employer mandate" requires applicable large employers (those with over 50 full-time employees or equivalents) to provide affordable, minimum value coverage to their full-time employees. Beginning in early 2016, Section 6056 of the Internal Revenue Code will require applicable large employers to use IRS Forms 1094-C (a cover transmittal form) and IRS Form 1095-C (an individual statement form provided to full-time employees) to report information about health coverage offered in 2015.

It is the sole responsibility of each participating employer to determine whether and how the reporting requirements of Section 6056 apply to it. The National Elevator Industry Health Benefit Plan (Plan) will not complete forms, handle the filing of any reports or furnish of any statements under Section 6056 on behalf of any contributing employers. Furthermore, the Plan is not responsible for any penalties that may be assessed for failing to meet any reporting obligations under Section 6056.

In September 2015, the Internal Revenue Service issued final instructions and forms that apply to the 2015 filing period. These instructions and forms may be accessed on the IRS's website at www.irs.gov.

Under the final instructions for 2015, contributing employers to the Plan may rely on the multiemployer arrangement interim guidance (Multiemployer Interim Guidance) to the extent applicable. Under this guidance, 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 on behalf of that employee to a multiemployer plan that offers health coverage that both is affordable and provides minimum value to individuals who satisfy the plan's eligibility requirements, and that also offers health coverage to those individuals' dependents (unless transition relief applies).

Under the final instructions for 2015, to the extent that a contributing employer may rely on the Multiemployer Interim Guidance for employees, it does not need employee-specific offer of coverage and enrollment information to comply with ACA reporting requirements. Based on this new guidance, and based on the continuing uncertainty of the application of health information privacy rules (HIPAA), **the Plan has determined that it will not provide participant-specific eligibility or enrollment information to contributing employers for 2015 ACA reporting purposes.**

For 2015, contributing employers relying on the Multiemployer Interim Guidance may enter the following Codes in Part II of Form 1095-C for an employee for any month in which the guidance applies to the employee:

- Line 14: Code 1H (“no offer of coverage”)
- Line 15: Leave blank
- Line 16: Code 2E (“multi-employer exception”)

The instructions state that code 1H on line 14 may be entered without regard to whether the employee was eligible to enroll or enrolled in coverage under the multiemployer plan for that month. Code 2E on line 16 indicates that the employer was eligible for multiemployer interim rule relief for a given month.

The following information may assist employers in confirming their entitlement to Multiemployer Interim Guidance: The Plan (a) offers minimum value coverage; (b) offers coverage to dependent children through the end of the month in which they turn age 26; and (c) imposes no employee co-premium on full time employees other than the 3.5 cents (or other applicable amount) specified in the applicable Collective Bargaining Agreement or participation agreement.

Note that, for 2015 reporting, the IRS has issued guidance stating that it will not impose penalties on large employers for incorrect or incomplete information reported on the return or statement as long as the employer can show that it has made good faith efforts to comply with the reporting requirements.

The Treasury and the IRS are continuing to review issues related to multiemployer plan reporting and have stated that, for 2016 and future years, reporting requirements for offers of coverage made through a multiemployer plan may be modified.

This notice does not constitute tax or legal advice. The National Elevator Industry Health Benefit Plan and its employees and advisors are not responsible for any errors, omissions, or consequences arising from reliance or the interpretation of the information contained herein.