

LABORERS'  
WELFARE  
FUND

HEALTH and WELFARE DEPARTMENT of the CONSTRUCTION and  
GENERAL LABORERS' DISTRICT COUNCIL of CHICAGO and VICINITY

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Dear Contributing Employer:

The Chicago Laborers Welfare Fund (the "Fund") previously sent a letter in July 2015, to highlight important information regarding reporting obligations under the Patient Protection and Affordable Care Act ("ACA"). The purpose of this letter is to provide updated information based on the recent guidance issued by the Internal Revenue Service ("IRS").

As previously reported, the ACA requires that, beginning with the 2015 calendar year, certain employers and plan sponsors provide annual statements to participants and the IRS about health care coverage provided to its employees (including all union and nonunion employees) in the previous calendar year. **Generally, employers with more than 50 total full-time employees are subject to this mandatory reporting obligation.** The ACA refers to those employers as "applicable large employers."

Applicable large employers and the Fund, as the plan sponsor, must send statements to participants and the IRS in early 2016. An applicable large employer is required to file IRS Forms 1095-C and 1094-C. The Fund must send an IRS Form 1095-B to each participant in the Fund, and the Fund uses IRS Form 1094-B to transmit copies of these statements to the IRS. The IRS uses the information reported by applicable large employers and the Fund to determine which employers and which individuals are subject to tax penalties under the ACA and also to confirm whether an individual is eligible for subsidized health coverage.

When an employer contributes to the Fund for an employee, the employer may not know whether such employee became eligible for coverage under the Fund and, if eligible, whether the employee elected coverage. Under "interim guidance regarding multiemployer arrangements" issued by the IRS for 2015, employers will not need this information from the Fund. For every month in 2015 for which an employer contributes to the Fund on behalf of an employee, the employer is treated as having offered coverage to such employee. This rule applies regardless of whether the employer's contribution actually results in coverage under the Fund for the employee. To rely on this interim guidance, the Fund must and does meet the following four conditions—specifically, the Fund:

1. provides "minimum essential coverage,"
2. meets the definition of "minimum value,"
3. is available to eligible spouses and dependents, and
4. is "affordable" since no employee contributions are required.

EMPLOYER PARTICIPANTS .

Builders Association, Employing Plasterers Association, Underground Contractors Association, Mason Contractors Association, Concrete Contractors Association, Wrecking Contractors, Concrete Products Employers, Lake County Illinois Employers, Illinois Road Builders Association, Bridge and Highway Structural Builders; i.e. all those who employ Laborers Engaged in the Building and Construction Industry.

Since the Fund satisfies these four requirements for 2015, a contributing employer to the Fund, if subject to reporting, can rely on the interim guidance and report code 1H on line 14 and report code 2E on line 16 of the IRS Form 1095-C (see the chart below). By inserting these codes for employees for whom contributions were made to the Fund, a contributing employer to the Fund **need not** report any eligibility or enrollment information on its Form 1095-C for such employees.

As previously reported, the Fund will issue, in early 2016, IRS Form 1095-B to each employee who is covered by the Fund in calendar year 2015. Form 1095-B identifies the employee, spouse and dependents (if any) who were covered for any month during 2015. The Fund will transmit this information to the IRS using IRS Form 1094-B, but the Fund will not provide this information to the employer.

In sum, the reporting obligations will fall upon the Fund and contributing employers who are subject to reporting, as follows:

Entity Reporting	Form	To	Purpose	Notes
Board of Trustees of the Fund	1095-B	Employee Participant	Report minimum essential coverage actually provided to each employee, spouse, and dependents (if any)	Fund will provide to employees in early 2016
Board of Trustees of the Fund	1094-B	IRS	Transmittal form to send Form 1095-Bs to IRS	
Contributing employers with reporting obligations	1095-C	Employee Participant	Report coverage offered to full-time employee	<ul style="list-style-type: none"> <li>• Line 14: Report Code 1H (No offer of coverage)</li> <li>• Line 16: Report Code 2E (Multiemployer interim rule relief)</li> <li>• Do not complete Part III because enrollment is reported by the Fund on Form 1095-B</li> </ul>
Contributing employers with reporting obligations	1094-C	IRS	Transmittal form to send Form 1095-Cs to IRS	

**As a contributing employer, you must determine whether you are subject to reporting obligations under the ACA, and if so, how to comply. The Fund does not have and accepts no responsibility for filing any forms on behalf of any employer. The Fund cannot provide any legal advice regarding the responsibilities of employers under the ACA, and you are encouraged to seek your own legal counsel.**