

October 2016

Dear Employer,

The Affordable Care Act (“ACA”) requires some employers to report annually to the IRS about offering health care coverage to their employees to determine whether they are required to pay a tax. Beginning in January 2016, employers with more than 50 full-time employees (“Applicable Large Employers” or “ALEs”) are required to report offers of coverage to employees and the IRS. So far, it appears that employers with less than 50 full-time employees are exempt from the reporting requirements.

Please be advised that EIT coverage for your collectively bargained employees 1) provides minimum essential coverage (i.e. meets the definition of minimum value), 2) is considered “affordable” by definition because there is no employee contribution for coverage, and 3) dependent children enrolled in the plan are covered until the last day of the month in which they turn age 26; as required by ACA.

ALEs that purchase coverage in the EIT Participatory Plan for non-bargained employees will have to determine whether that coverage is affordable based upon the amount an employee contributes (if any) as a percentage of the employees’ income. The EIT Participatory Plan also meets the definition of minimum value and covers dependent children until the last day of the month in which they turn age 26. The contribution rate for the EIT Participatory Plan for single only coverage was \$665.00 per month in 2016. See the resources below for additional information.

According to IRS Instructions for Form 1095-C, ALEs should use Code 1H on Line 14 and Code 2E on Line 16 for each month (or “All 12 months”) an ALE remitted contributions to EIT for an employee. See pages 10, 13 and 17. Part III should not be completed. See the IRS instructions for codes to enter for months no contributions were remitted to EIT.

**Under Section 6056, each contributing employer is required to determine whether employer shared responsibility reporting is required and, if so, to file the appropriate forms/returns for all employees, including employees not covered by an EIT plan.**

For further information, please see the following resources:

**1094-1095 C Instructions:** <https://www.irs.gov/pub/irs-pdf/i109495c.pdf>

**1095 C Form:** <https://www.irs.gov/pub/irs-pdf/f1095c.pdf>

Sincerely,

EIT Benefit Funds