



For Employers - Notice Re: Affordable Care Act Reporting Requirements

The purpose of this notice is to describe how the Motion Picture Industry (MPI) Health Plans intend to satisfy IRS reporting requirements that become effective in early 2016 under the Patient Protection and Affordable Care Act (“ACA”) and provide you with some information about the ACA reporting obligations applicable to certain employers.

COVERAGE PROVIDERS – FORM 1095-B

Taxpayers who do not have health coverage must pay a penalty when they file their tax returns, unless they can satisfy certain limited exemptions. Those who have health coverage in 2015 that meets the standards and requirements of the ACA will receive new IRS forms confirming such coverage.

If your employees worked in the Industry during 2015 and hours were reported to MPI that were sufficient to qualify them for eligibility in the MPI Health Plans, they will receive Form 1095-B from MPI (or in some cases from an insurer or HMO) in January. It is important that your employees keep this documentation and any 1095-C forms you may send them when they prepare their Federal income tax returns. Please be aware that if your employees had a break in health care coverage during the last tax year that lasted more than three months, they may have to pay an “individual shared responsibility payment” - or tax penalty. However, individuals without coverage may still be able to avoid the penalty if they qualify for an exemption. Exemptions are available for several reasons, including financial hardship and membership in certain groups. Because the MPI Health Plans provide superior benefits and is affordable, persons eligible for coverage from the Plans for a given month are not entitled to tax credits if they purchase health benefits from an Exchange for that month. In the vast majority of cases, those eligible for MPI Health Plan benefits will receive better value with MPI Health Plan coverage than with coverage from an Exchange.

EMPLOYERS – FORMS 1094-C and 1095-C

Certain large employers may also be subject to a penalty if they do not provide health coverage to their employees. The IRS is now requiring that certain employers report information regarding health coverage offered to their employees in 2015 via IRS Forms 1094-C and 1095-C. For more information about Form 1095-C, visit <http://www.irs.gov/uac/About-Form-1095-C>. The MPI Health Plans will not be providing Forms 1094-C and 1095-C with respect to your employees. That is your responsibility, not the MPI Health Plans’.

At least for 2015, an employer that is obligated by a collective bargaining agreement (or participation agreement) to contribute to a multiemployer plan is treated as offering coverage to an employee for each month that it contributes to such plan for that employee, provided that the multiemployer plan meets the following requirements:

- the multiemployer plan offers coverage for eligible participants' dependents, *which is the case for coverage provided by the MPI Health Plans*
- the multiemployer plan provides minimum value coverage, *which is the case for coverage provided by the MPI Health Plans*; and
- the coverage through the multiemployer plan is affordable under the rules of the ACA, *which is the case for coverage provided by the MPI Health Plans*.

Since the MPI Health Plans meet these requirements, the employer should treat every month for which it contributed to the MPI Health Plans for an employee as a month that it provided coverage for that employee (regardless of whether the employee qualified for coverage).

Based on the most recent instructions for Form 1095-C, employers that contribute to the MPI Health Plans will not need any eligibility or enrollment information from the MPI Health Plans about its employees. According to the most recent instructions, employers can fill in Code 1H on line 14 and Code 2E on line 16 for employees for whom you contribute to a multiemployer plan for the applicable month. The 2015 Forms must be provided to full-time employees by February 1, 2016 and must be filed with the IRS by February 29, 2016 (or March 31, 2016 if filing electronically).

For frequently asked questions and answers on the subject and for information about whether you are subject to these notification requirements, visit the IRS website at: <http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Reporting-of-Offers-of-Health-Insurance-Coverage-by-Employers-Section-6056>.

Additional Information

For more information about these reporting requirements under the ACA or about IRS Forms 1095-B or C, please visit www.healthcare.gov. **The information contained in this letter is being provided as a courtesy and does not constitute legal or tax advice.** We encourage employers to consult with their advisors regarding their own ACA compliance.

Motion Picture Industry Pension & Health Plans