



# AUTOMOBILE MECHANICS' LOCAL 701 WELFARE FUND

361 S. FRONTAGE ROAD, SUITE 100 | BURR RIDGE, IL 60527

TELEPHONE: (708) 482-0110 | TOLL FREE: (800) 704-6270 | FAX: (708) 482-9140

## **Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund Cooperation with Contributing Employers for Affordable Care Act Information Reporting Requirements**

**December 1, 2018**

### ***Background***

In early 2019, the Fund and contributing employers that are considered “applicable large employers” under the Affordable Care Act (“ACA”) will be required to comply with the ACA information reporting requirements for coverage that certain employees received in the 2018 calendar year. These rules require both the Fund, on behalf of its participants, and applicable large employers, on behalf of their employees, to report certain information to the IRS. The Fund will not report to the IRS on behalf of any contributing employer.

### ***Multiemployer Arrangement Interim Guidance for Applicable Large Employers***

The IRS recently issued draft 2018 ACA information reporting instructions and forms, which continue to allow applicable large employers to fulfill their information reporting requirements with minimal assistance from the Fund if the applicable large employer uses a simplified reporting method. This simplified reporting method is referred to as the “multiemployer arrangement interim guidance.”

If your company is eligible, we encourage you to rely on the multiemployer arrangement interim guidance, as it will significantly simplify your ACA information reporting obligations. To do so, you should be aware that the Fund can confirm that its health coverage:

- (1) is “minimum essential coverage” (“MEC”) as defined under the ACA,
- (2) meets the ACA definition of “minimum value,” and
- (3) is available to spouses and dependents including children up to age 26.

You will need to determine whether the Fund’s coverage is affordable based on the terms of your applicable collective bargaining agreement. In general, if an employee does not contribute towards the cost of the Fund’s coverage, the coverage will be affordable for that employee.

If you decide to rely on the multiemployer arrangement interim guidance, the instructions allow you to use Code 1H on line 14 and Code 2E on line 16 of the Form 1095-C. If you use these codes, the instructions state that you will not need to report eligibility or enrollment information on the Form 1095-C for employees on whose behalf you remit contributions to the Fund, and the Fund will not provide that information to you.

Note that not all contributing employers are subject to the ACA’s information reporting requirements. As stated above, only “applicable large employers” (meaning employers that employed an average of at least 50 full-time employees, including full-time equivalent employees, during the preceding calendar year) will need to comply with the ACA information reporting requirements. Contributing employers will need to determine on their own whether they are an applicable large employer that is required to comply with the ACA’s information reporting requirements.