

November 8, 2017

Dear Contributing Employer,

The Affordable Care Act requires large employers, generally those with at least 50 FTE's (full time equivalents), to report to the IRS on health coverage offered to their full-time employees (Form 1094-C), and distribute individual statements to their employees (Form 1095-C) for coverage provided in 2017. This obligation to report is yours, not the Plan's; the SAG-AFTRA Health Plan (the Plan) has a separate obligation to report on different forms (IRS Forms 1094-B and 1095-B) regarding the coverage it provides to participants. We urge you to consult with your own tax or employee benefits consultants on your ACA reporting obligations, but are providing the following information for your convenience.

The forms include special directions for employers that contribute to multiemployer plans, such as the Plan, and eliminate the need for employers to obtain any specific information about your employee's eligibility or enrollment in the Plan. The IRS is permitting employers who are relying on the multiemployer interim rule relief for an employee to use code 1H on line 14 and code 2E on line 16 on the Form 1095-C for each month that the employer was required to contribute to a multiemployer plan on behalf of the employee.

Employers can use these codes only if the following conditions are met:

- The employer is required to make contributions to a multiemployer plan by a collective bargaining agreement (CBA) or participation agreement.
- The plan must offer coverage to eligible employees that is affordable, provides minimum value, and provides coverage for children to age 26.

The SAG-AFTRA Health Plan meets these requirements.

Additional Information

For more information on the reporting, please review the final 2016 Forms 1094-C and 1095-C, along with the IRS instructions with your attorneys and advisors. These materials are available at www.irs.gov. This notice is not intended to offer advice on the employer mandate or the reporting requirements under the ACA, and the Plan is not responsible for providing such advice. The Plan also is not responsible for any penalties that may be assessed for reporting or furnishing statements under Section 6056.

If you have any questions about the Health Plan, please send an email to the Compliance Officer at complianceofficer@sagafraplans.org. For details about Plan benefits, please visit www.sagafraplans.org/employers/resources/aca-information.

Sincerely,
SAG-AFTRA Health Plan