



Eighth District Electrical Fringe Benefit Funds

To: Contributing Employers of the Eighth District Electrical Benefit Fund
Re: Affordable Care Act Reporting Requirements

As you may know, the Affordable Care Act (“ACA”) requires certain employers to provide annual statements to employees and the Internal Revenue Service (“IRS”) regarding health coverage provided to employees during the prior calendar year (“ACA Reporting Requirements”). Employers subject to ACA Reporting Requirements are called Applicable Large Employers (“ALEs”). ALEs must provide these annual statements to employees on IRS Form 1095-C (“1095-C”) and to the IRS on IRS Forms 1094-C (“1094-C”) and 1095-C (collectively, “C Forms”).

The purpose of this memorandum is to provide employers with information to help them comply with the reporting requirements with respect to their employees for whom they contribute to the Eighth District Electrical Benefit Fund (“Fund”). This memorandum will separately discuss employer reporting requirements and Fund reporting requirements below.

Please keep in mind that this memorandum is provided for informational purposes only. The Fund cannot provide advice regarding compliance with the ACA or Internal Revenue Code (“IRC”) to employers. You should consult your own tax professionals.

Part I: Employer Reporting Requirements

A. Which Contributing Employers must report coverage on the “C Forms”?

Not all Contributing Employers must report on the healthcare coverage offered to its employees. Only a Contributing Employer that is an “Applicable Large Employer” or “ALE” must report coverage information. Generally, an employer is an ALE if it had at least fifty (50) full-time employees, or full-time employee equivalents, in the prior calendar year (i.e. 2019 data will determine an employer’s ALE status for 2020). The IRS has developed different methods to determine whether an employer is an ALE. **All employees**, not just those for whom an employer contributed to the Fund, factor into an ALE calculation. You should consult with your attorney, payroll company, or tax professional if you have questions regarding your ALE status.

The remaining information in Part I of this memorandum only applies to ALEs.

B. General Reporting Requirements

If you are an ALE, you must prepare and file the “C Forms” to report on the health coverage you offered to employees in 2020. You must also provide a copy of this information to the employee. The data reported helps the IRS determine if the employer owes a payment under the ACA’s employer shared-responsibility provisions. The data also helps the IRS determine if an employee is eligible for a premium tax credit.

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It is your responsibility to complete the “C Forms.” The Fund cannot complete them for you.
There are penalties for failing to file and distribute the “C Forms.”

If you are an ALE, you may have to report 2020 coverage information for your other employees, not just employees that participate in this Fund. **This memorandum only provides information concerning the employees for whom you contributed to the Eighth District Electrical Benefit Fund.** It does not address the reporting rules for your other employees.

C. Reporting Coverage from the Fund

The IRS has released the 2020 instructions for the “C Forms” (the “2020 IRS Instructions”). The 2020 IRS Instructions include the same multiemployer arrangement interim guidance that was included in instructions for past years. Under the interim guidance, an ALE is treated as having “offered” health coverage to an employee if the ALE is required by a collective bargaining agreement or participation agreement to contribute to a multiemployer fund on behalf of that employee, and the fund’s coverage provides minimum essential coverage and provides minimum value, is affordable, and offers coverage to the employee’s dependents. An ALE may rely on this rule regardless of whether an employee is eligible for coverage from the Fund.

The Eighth District Electrical Benefit Fund certifies the following about its coverage:

- It offers minimum essential coverage and provides minimum value;
- It offers coverage to all dependents it is legally required to cover (i.e. dependent children under the age of 26); and
- For your collectively bargained employees on whose behalf you contribute to the Fund, the Fund’s coverage is affordable. For your non-bargained employees who are covered by the Fund through a participation agreement, and you pay the entire premium, the Fund’s coverage is also affordable. If you have any non-bargained employees that pay part of their premium, the determination of whether their coverage is affordable is more complex. You must determine whether the Fund’s coverage is affordable for those individuals.

The Fund satisfies the above requirements for 2020 for an employee that is either (1) a collectively bargained employee, or (2) a non-bargained employee covered by a participation agreement for whom the Fund’s coverage is affordable. Accordingly, you may fill out Form 1095-C for that employee as follows:

- Enter the contact information for both the employee and yourself in Part I (Lines 1-13).
- For “Plan Start Month” under Part II, enter “01” (the Plan’s plan year begins in January).
- If you contributed to the Fund on behalf of an employee for all 12 months of 2020, under Part II, you may put code “1H” in Line 14 and code “2E” in Line 16 in the “All 12 months” column. You may leave Line 15 and the individual month columns blank.
- If you contributed to the Fund on behalf of an employee for some, but not all, months of 2020, under Part II, put “1H” in Line 14 and code “2E” in Line 16 in the individual month

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columns that correspond with the months in which you contributed to the Fund. You may leave Line 15 blank for those months. You should consult with your attorney or tax advisor to determine what you should enter on Lines 14, 15, and 16 for the months that you did not contribute to the Fund on behalf of the employee.

- You may leave Part III blank.

Part II: Fund Reporting Requirements

The Fund also has its own reporting obligations. In early 2021, the Fund will prepare an IRS Form 1095-B for each individual that was a participant in either the Regular Plan or Basic Plan during the 2020 calendar year. The Fund will submit all of these IRS Forms 1095-B and IRS Forms 1094-B (collectively, “B Forms”) to the IRS. This will confirm to the IRS that the Fund offered participants minimum essential coverage. The 1095-B Forms will not automatically be provided to participants, as this form is no longer necessary to complete their personal income tax return. However, if participants would like a copy of their Form 1095-B, they may request one from the Fund Office.¹

Part III: Conclusion

The following chart summarizes the information in this letter about Employer Reporting. The information in this chart only applies to employees on whose behalf you contribute to the Fund. The chart is not intended to (and should not be used to) provide information and/or help you comply with the ACA Reporting Requirements that apply to your other employees.

If you are...	You comply with the ACA Reporting Requirements By...	The due date for complying with the ACA Reporting Requirements is...	You complete the 1095-C form by...
Not an ALE (i.e. you did not have at least 50 full-time employees during the 2019 calendar year).*	You do not need to do anything.	N/A	N/A
An ALE (i.e. you had at least 50 full-time employees	You must complete a 1095-C form for each employee that was a full-time employee at any time during the 2020 calendar year.	To Employees: the 1095-C must be provided by March 2, 2021.	Line 14: Code 1H Line 15: Leave Blank

¹ Some states, such as California, have enacted laws requiring these forms still be provided to individuals, for use on their state income tax return. Participants residing in such states will be provided these forms automatically, in accordance with state laws.

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during the 2019 calendar year).*	You must provide these forms to employees by the date listed in the next column. You must also complete a 1094-C transmittal form and submit it to the IRS with all of the 1095-C forms by the date listed in the next column.	To the IRS: The 1094-C and the 1095-C Forms must be provided by February 28, 2021 if filing by paper or by March 31, 2021 if filing electronically.**	Line 16: Code 2E (multiemployer interim rule relief). Do not complete Part III.
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* To determine whether or not you have at least 50 employees, you must count of all of your full-time employees or employee equivalents, not just those for whom you contributed to the Fund.

** If you file 250 or more C Forms, you must file them electronically. You may receive an automatic 30 day extension to file the C Forms with the IRS. To obtain the 30 day extension, you must file Form 8809 with the IRS on or before the regular due date for the C Forms. The 30 day extension only extends the time you have to file the C Forms with the IRS. You must furnish a copy of the 1095-C Forms to employees by March 2, 2021 regardless of whether or not you received an extension to file the C Forms with the IRS.

If you have specific questions regarding the ACA Reporting Requirements, including, but not limited to, questions regarding whether you are an ALE or questions regarding how to complete the “C Forms,” you should contact your attorney or tax advisor. The information contained in this memorandum was provided for informational purposes only. The duty to comply with the ACA and relevant IRC provisions belongs to each employer. The Fund cannot provide compliance advice.

If you have questions about the coverage provided by the Fund, you should contact the Administrative Office at 844-989-2321.