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MEMORANDUM

To: Contributing Employers of the NYCDCC Welfare Fund

From: Board of Trustees of the NYCDCC Welfare Fund

Date: January 14, 2015

Re: Affordable Care Act's Requirements Applicable to Large Contributing Employers

The Affordable Care Act (ACA) provides that a contributing employer to a multiemployer plan will be treated as having met its obligations to offer health coverage under IRC Section 4980H with respect to a full-time employee if the employer is required by a collective bargaining agreement (or appropriate related participation agreement) to contribute on behalf of that employee to a multiemployer plan that provides coverage to individuals who satisfy the plan's eligibility conditions, meets the affordability and minimum value requirements, and offers coverage to those individuals' dependents.

This memorandum provides information about the Fund's compliance with various requirements of the ACA and will assist large employers with their reporting obligations under Internal Revenue Code Section 6056. Specifically, the following information will assist a large contributing employer as it completes Form 1095-C for each of its full-time employees for whom the employer is required to contribute to the Fund. Under the ACA, large employers are those that employed an average of 50 or more full-time or full-time equivalent employees during the prior calendar year. However, for 2015, there is a special transitional rule in effect where only employers with 100 or more full-time or full-time equivalent employees during the prior calendar year are considered to be large employers.

1. MINIMUM ESSENTIAL COVERAGE

The Fund provides minimum essential coverage, as defined in the ACA.

2. MINIMUM VALUE

The health benefits offered by the Fund exceed the 60 percent minimum value standard.

3. DEPENDENT COVERAGE

The Fund offers coverage to eligible participants and to the following dependents:

- spouses,
- dependent children to end of the month in which they reach age 26,
- dependent parents who meet certain requirements, and
- disabled adult children who meet certain requirements.

4. PREMIUMS/AFFORDABILITY

Participants do not pay premiums to the Fund for coverage; therefore, we believe that coverage under the Fund satisfies the affordability test under the ACA.

*** Please note that the Fund is unable to provide legal, tax or other advice as to contributing employers' compliance obligations under the ACA. Employers should contact their legal advisors regarding their responsibilities under the ACA. The information provided below is based on the Fund's and its advisors' good faith interpretation of the ACA. However, we are unable to make any guarantees as to the accuracy of our interpretation.*