

# NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

935 Detroit Avenue, Suite 242A, Concord, CA 94518-2501 • Phone 925/356-8921 • Fax 925/356-8938

tfo@ncpttf.com • www.ncpttf.com



## FEBRUARY 2024

### **RE: AFFORDABLE CARE ACT (“ACA”) EMPLOYER SHARED RESPONSIBILITY AND MINIMUM ESSENTIAL COVERAGE REPORTING INFORMATION (REPORTING FOR 2023 COVERAGE)**

Dear Employer:

It is that time of the year again to file your Affordable Care Act (“ACA”) Forms 1094-C and 1095-C with the Internal Revenue Service (“IRS”). We are providing you with the following information to assist you with your **2024 ACA reporting obligations** for your Collectively-Bargained and/or Non-Bargaining Unit Subscription Agreement Employees (if applicable), who were eligible for or enrolled under the Northern California Pipe Trades (“NCPT”) Health and Welfare Plan (“Plan”) during 2023. Please be reminded of the following:

- Form 1095-C is due to your full-time Employees by the deadline of **March 1, 2024**.
- Form 1095-B is due to Participants by the deadline of **March 1, 2024**.
- Forms 1094-B/1095-B and 1094-C/1095-C are due to the IRS by **February 28, 2024** (if filing by paper) or **April 1, 2024** (if filing electronically).
- **What’s NEW?** The electronic filing requirement for information returns required to be filed on or after January 1, 2024, has been decreased to 10 or more returns. For more information visit the IRS website at [www.irs.gov/instructions/i109495b#en\\_US\\_2022\\_publink1000124572](http://www.irs.gov/instructions/i109495b#en_US_2022_publink1000124572)

**EXEMPTIONS: IF YOU ARE A SMALL EMPLOYER WITH LESS THAN 50 FULL-TIME EMPLOYEES, INCLUDING FULL-TIME EQUIVALENT EMPLOYEES, YOU MAY DISREGARD THIS NOTICE.**

**ACA PROVISIONS.** The Board of Trustees of the NCPT Plan believe all the Health Plan options (*Kaiser Permanente HMO, Blue Shield of California HMO, and Blue Shield of California PPO*) offered to its eligible Employees and their Dependents are compliant with the ACA provisions:

- This Plan offers coverage to eligible Participants, their eligible Spouses, and their eligible Dependent Child(ren) (until the end of the month in which the Child(ren) attains age 26).
- This Plan qualifies as minimum essential coverage as defined under the ACA.
- This Plan provides minimum value coverage (at least 60% or greater).
- This Plan offers affordable coverage (generally, no employee contributions are required for eligible Participants to have coverage under this Plan).

**FEDERAL REPORTING.** For the Minimum Essential Coverage Reporting requirements under IRC Section 6055:

- Kaiser Permanente is responsible for and will file Forms 1094-B and 1095-B with the IRS and distribute Form 1095-B to Employees covered under the Plan’s Kaiser Permanente HMO option.
- Blue Shield of California is responsible for and will file Forms 1094-B and 1095-B with the IRS and distribute Form 1095-B to Employees covered under the Plan’s Blue Shield of California HMO and PPO options.
- Regarding the Supreme Court case (*California v. Texas*), some questions have been raised about whether Employers should refrain from their reporting obligations. The Supreme Court Case rejected another challenge to the ACA’s individual mandate stating the plaintiffs did not have standing to challenge the law. With that said, we believe that until the law states otherwise, Employers and the Plan should continue with their ACA reporting obligations to avoid any potential penalties.

For more information, visit the IRS website at [www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act](http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act).

**CALIFORNIA REPORTING.** As you may already be aware, California has its own minimum essential coverage reporting and individual mandate obligations that began on January 1, 2020. The California Franchise Tax Board (“FTB”) Form instructions provide that “California Employers offering health coverage (other than under a self-insured plan), such as through an insured health plan or multiemployer plan, the insurer is required to furnish the information about health coverage to its enrolled California residents.” Furthermore, for insured health plans, Employers can rely on the insured carriers to provide the Federal Form 1095-B statements to its California employees and can satisfy its California reporting obligations through the federal reporting by just sending one 1095-B. For more information, please visit the FTB website at [www.ftb.ca.gov/file/business/report-mec-info/index.asp](http://www.ftb.ca.gov/file/business/report-mec-info/index.asp).

Also, Employers with insured health plans can rely on the insured carriers to file the Form 1095-C to the FTB, and for its California resident employees receiving health coverage, would not have to report to the FTB for California reporting purposes. However, we suggest Employers consult with their tax advisors regarding their obligations under California law.

For additional information on California Reporting obligations, visit the following websites:

[www.ftb.ca.gov/forms/2023/2023-3895b-publication.pdf](http://www.ftb.ca.gov/forms/2023/2023-3895b-publication.pdf) for the 2023 FTB Publication 3895B California Instructions for Filing Federal Forms 1094-B and 1095-B.

[www.ftb.ca.gov/forms/2023/2023-3895c-publication.pdf](http://www.ftb.ca.gov/forms/2023/2023-3895c-publication.pdf) for the 2023 FTB Publication 3895C California Instructions for Filing Federal Forms 1094-C and 1095-C.

Refer to the attached FAQ for more information.

Sincerely,  
Fund Manager

## **Affordable Care Act (“ACA”) Employer Shared Responsibility FAO (For 2024 Returns)**

*Note: The questions and answers below were primarily taken from the IRS website and IRS 2023 Instructions to the ACA Employer Reporting Forms. Please visit [www.irs.gov](http://www.irs.gov) for more details.*

### **Q1: What is the Employer Shared Responsibility Requirement?**

Large Employers (employed 50 or more full-time employees or a combination of full-time and part-time employees that is equivalent to 50 full-time employees during the preceding calendar year) will be subject to the Employer Shared Responsibility penalty only if the Employer:

- (1) Does not offer health coverage or offers coverage to fewer than **95%** of its full-time employees (works on average at least 30 hours of service per week) and dependents of those employees and at least one full-time employee receives a premium tax credit to help pay for coverage on the Exchange.
- or**
- (2) Offers health coverage to all or at least **95%** of its full-time employees that is unaffordable or does not provide minimum value and at least one full-time employee receives a premium tax credit to help pay for coverage on the Exchange.

### **Q2: Are Small Employers subject to the Employer Shared Responsibility Requirement?**

No. Small Employers with fewer than 50 full-time employees, including full-time equivalent employees, are exempt from the Employer mandate and penalties. In other words, Small Employers will not have to complete and file Forms 1094-C and 1095-C with the IRS. (**Note:** Small Employers that sponsor their own self-funded health plans are still subject to the minimum essential coverage reporting requirements under IRC Section 6055).

### **Q3: Which Employers Have to Complete the ACA Employer Reporting Forms?**

Large Employers that sponsor a fully-insured or self-insured group health plan will have to complete Forms 1094-C and 1095-C.

For Employers who contribute to a fully-insured multiemployer plan, the health insurer will complete and distribute Forms 1094-B and 1095-B (do not complete Form 1095-C, Part III for those employees), which is a separate ACA reporting requirement for minimum essential coverage.

For Employers who contribute to a self-insured multiemployer plan, the Plan through the medical carriers will complete and distribute Forms 1094-B and 1095-B.

*Please be advised that the Trust Fund Office cannot provide tax or legal advice to contributing Employers. You should consult your own Legal Counsel and Tax Advisor for advice regarding compliance with the Affordable Care Act, Internal Revenue Service provisions and/or Franchise Tax Board provisions.*