



**CARPENTERS
SOUTHWEST
ADMINISTRATIVE
CORPORATION**

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Date: March 1, 2024
To: Contributing Employers
From: Southwest Carpenters Health and Welfare Trust
Re: Affordable Care Act's Requirements Applicable to Large Contributing Employers

This notice provides information that will assist contributing employers to understand the Trust's rules under the ACA and IRC Section 4980H. In addition, this will assist employers to complete reporting required to be submitted by large (50 or more full-time employees or equivalents) employers 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 Trust.

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, meeting the affordability and minimum value requirements and that offers coverage to those individuals' dependents.

The Trust's Administrative Office will provide Form 1095-B to participants with self-insured Fee-for-Service/PPO medical coverage under the Plan and will file the corresponding Form 1094-B with the IRS. The Kaiser Permanente HMO will be responsible for providing Form 1095-B to those participants with insured medical coverage through the HMO and will file the corresponding Form 1094-B with the IRS.

MINIMUM ESSENTIAL COVERAGE

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

MINIMUM VALUE

All health coverage options under the Trust meet the 60 percent minimum value standard.

DEPENDENT COVERAGE

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

- Spouse

- Sons/daughters and adopted children (including those placed for adoption with a participant). These dependents are eligible for coverage through the end of the month in which they turn age 26.
- Other dependents as described in the Trust's Summary Plan Description (as amended from time to time).

PREMIUMS/AFFORDABILITY

Participants with earned active eligibility pay \$0.00 in premiums to the Trust for self-only coverage. Because this amount is less than \$101.93 per month, the coverage is deemed affordable under the ACA.

EMPLOYEE OFFER AND COVERAGE (FORM 1095-C)

For reporting offers of coverage for 2023 on Form 1095-C, Part II, an employer relying on the multiemployer arrangement interim guidance should enter code 1H on line 14 for any month for which the employer enters code 2E on line 16 (indicating that the employer was required to contribute to a multiemployer plan on behalf of the employee for that month and therefore is eligible for multiemployer interim rule relief). See www.irs.gov/instructions/i109495c for more information.

California employers have comparable reporting obligations to the California Franchise Tax Board (FTB) for employees who were offered coverage during the 2023 calendar year. More information is available at www.ftb.ca.gov/file/business/report-mec-info/index.asp.