32BJ NORTH HEALTH FUND
and the
PATIENT PROTECTION AND AFFORDABLE CARE ACT

The 32BJ North Health Fund (Health Fund) offers a self-insured plan of benefits (Plan) which, based on current guidance, complies with the provisions of the Patient Protection and Affordable Care Act (ACA) described below. Changes in law or guidance may affect the information provided below.

Eligibility

The Plan offers coverage to employees covered by a collective bargaining agreement (or participation agreement) whose employers make contributions to the Fund on their behalf pursuant to such agreements. The Fund also offers coverage to participants' children up to the last day of the month in which they attain age 26.

Your collective bargaining agreement (and not the Plan) establishes the employees for whom you are required to contribute, which is the basis for eligibility for Health Fund coverage of your employees.

It is your responsibility to determine whether your company satisfies the requirements under the ACA regarding offers of coverage to employees.

Benefits

The Plan provides a comprehensive package of benefits that are described generally in the Summary of Benefits and Coverage (SBC), and Summary Plan Description ("SPD), as amended by the Fund's Summaries of Material Modifications (SMM).

Affordability

The Plan does not provide for any employee contributions and if no employee contributions are required under the employer's CBA, the Plan meets the affordability requirements under the ACA.

Minimum Value

The Plan has been certified by the Health Fund's actuary to exceed the minimum value measurement under the ACA.

Fees

The Health Fund's Plan is self-insured, and the Health Fund will pay the Transitional Reinsurance Fee, if applicable, plus the Health Fund's required contribution to the Patient-Centered Outcomes Research Institute (PCORI) to the extent required by law.

Reporting

The Health Fund completed minimum essential coverage reporting under Internal Revenue Code Section 6055, which applies to plans and insurers, in early 2016 for coverage during the calendar year 2015. For the 2016 plan year reporting (which will be completed in early 2017), the Health Fund will send 1095-B forms to all participants to whom the Health Fund provides coverage.

Although the Health Fund does not provide legal advice to employers, the following general information is for background. Your company may be responsible for reporting under Internal Revenue Code Section 6056 (including the distribution of Forms 1095-C), which applies to employers, if your company is considered an applicable large employer. Upon written request, and to the extent permitted under HIPAA privacy rules, the Health Fund will provide information to your organization regarding contributions it made to the Fund on behalf of its employees during calendar year 2016 (and subsequent years). You are responsible for determining which of your employees were full-time as defined by the ACA, whether those employees received an offer of coverage within the meaning of the ACA, and for completing and distributing the 1095-C forms to your employees. The Health Fund will not prepare, file, or distribute any Forms 1095-C or 1094-C on behalf of any large contributing employer.

Excise Tax on High Cost Employer-Sponsored Health Coverage

Under the current law, starting in 2020, employer-sponsored health coverage that exceeds a government set dollar threshold is subject to an excise tax equal to 40 percent of the amount in excess of the dollar threshold. The excise tax on high cost employer-sponsored health coverage (commonly called the "Cadillac Tax") was originally set to take effect in 2018, but was delayed by two years to 2020. If the law remains unchanged, when this excise tax takes effect, it will be paid when the total cost of employer-sponsored health coverage exceeds a certain threshold. The Fund's current plan of benefits has been reviewed by the Health Fund's actuary and is not expected to reach a level that would trigger this tax in the year 2020.

Questions

If you have questions about the contents of this notice, call the Health Fund's Compliance Department at (212) 539-2778. If you have questions about the coverage provided under your collective bargaining agreement, please contact Employer Services at 212-388-3354 or by email at employerrelations@32bjfunds.com.