

Dear Christian Brothers Employee Benefit Trust Administrator,

Please review the following important information regarding compliance with Affordable Care Act (ACA) Reporting requirements for employers participating in the Christian Brothers Employee Benefit Trust (CBEBT), administered by Christian Brothers Services (CBS). Please carefully review this notice and take any necessary action.

The ACA requires employers to submit specific forms to the IRS as well as a copy to their employees to verify that individuals have minimum essential health coverage.

Key Takeaways:

1. The process and requirements are consistent with prior years.
2. CBS will prepare and submit the 1095-B/1094-B.
3. Employers must determine if they need to prepare and submit the 1095-C/1094-C. Your action is required. CBS cannot complete these forms. Please see “Reporting by Employers.”
4. All medical coverage offered by the CBEBT meets the ACA minimum essential coverage requirement and the ACA minimum value requirement. Different rules could apply if an employer provides coverage outside of the CBEBT.

Reporting by CBS

CBS will report coverage provided under the CBEBT to employees or former employees covered under the CBEBT during the prior year. This reporting will indicate the periods of coverage and the individuals covered (e.g., employee, spouse, and dependents). CBS will prepare and send Form 1095-B to each covered employee with this information. In addition, CBS will report this same information to the IRS on Form 1094-B and to any states that require copies such as California, New Jersey, Rhode Island, and Washington D.C. **The 1095-B/1094-B distribution and filing does not require any action from organizations participating in the CBEBT.**

Please note, the CBS filing only includes those employees that were enrolled in CBS medical coverage. Timing for filings remains largely consistent with last year and CBS is complying with both federal and state 1095-B/1094-B timing requirements. For reference, below are the links to the Forms and Instructions:

<https://www.irs.gov/pub/irs-pdf/f1095b.pdf>

<https://www.irs.gov/pub/irs-pdf/f1094b.pdf>

<https://www.irs.gov/instructions/i109495b>

A downloadable file of your employees' information used in the CBS filings is available by logging in to the CBS website as the administrator. Please note:

- The data contained in the ACA file is a list of all your employees entered into CBS' system and includes waivers, if provided. Information regarding dependents is listed in the same record as the employee.
- For all applicable employees and dependents, there is a field which indicates the monthly periods they had medical coverage during the reporting year. This field is used to represent the 13 covered periods as used for Part IV of Form 1095-B. Each field will contain either an "N" to represent no coverage or not applicable (employee/dependent did not have medical coverage for that time period) or an "X" to indicate coverage (employee/dependent did have medical coverage for that time period.) Position one (from left) is the full year indicator (employee/dependent had coverage for the entire reporting year), position two is for January, three for February and continuing for all 12 individual months. If the full year indicator has an "X," then the 12 monthly indicators will be "N."

Reporting by Employers

An Applicable Large Employer (ALE) participating in the CBEBT must comply with the ACA Form 1095-C/1094-C requirements. An ALE generally has 50 or more full-time equivalent employees; please see the IRS instructions link below for important details of this definition.

Consistent with prior years, each employer participating in the CBEBT must take action to determine if it is subject to the 1095-C/1094-C requirements and to comply with the requirements by the deadlines. CBS does not have the data necessary to prepare these forms. Please refer to the instructions for details on deadlines. For reference, below are links to the referenced Forms and Instructions:

<https://www.irs.gov/pub/irs-pdf/f1095c.pdf>

<https://www.irs.gov/pub/irs-pdf/f1094c.pdf>

<https://www.irs.gov/instructions/i109495c>

An ALE Member may use a third party, such as a payroll administrator, to prepare and file a Form 1094-C as well as prepare and distribute Form 1095-C to employees. CBS cannot complete the Forms 1095-C/1094-C as CBS's records do not contain the necessary employer, eligibility, and employee payroll contribution cost data to do so. For example, CBS's records only include data on those enrolled in coverage through the CBEBT and 1095-C/1094-C must be filed for all employees that were offered coverage (not just those enrolled).

As you complete Form 1095-C, please be aware that all coverages offered by the CBEBT meet the ACA minimum essential coverage requirement and the ACA minimum value requirement. Different rules could apply if an employer provides coverage other than through the CBEBT, particularly insured coverage.

Due to the complexity of these reporting requirements, the employer reporting summary is for general informational purposes only. It does not constitute legal or tax advice.

Closing

Please visit cbservices.org and login as an administrator to view the “ACA MEMBER DOWNLOAD” file UNDER “REPORTS.” Please contact your CBS Health Solutions account team or HealthEmployeeBenefits@cbservices.org with any questions. We hope you find this information useful and, as always, we appreciate the opportunity to serve you.

Thank you,

The CBS Team