

**Blasters, Drillrunners & Miners Union
Local #29 Welfare Fund**

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Dear Participating Employer:

As you may know, starting in 2015, pursuant to the Affordable Care Act (“ACA” or the “Act”), large employers (100 or more full-time employees) risk incurring a penalty if they do not offer affordable minimum value health coverage to at least 70% of full-time employees and their children. Beginning in 2016, the penalties will be extended to employers with 50 or more full-time employees and the threshold for coverage will be increased from 70% to 95%. These penalties are often referred to as the “employer shared responsibility penalties.”

Under the ACA, coverage is considered “affordable” if the employee’s contribution towards the cost of self-only coverage does not exceed 9.5% of the employee’s household income. In general, an employer-sponsored health plan provides “minimum value” if the plan’s share of the total allowed benefit costs covered by the plan is no less than 60% of such costs. In other words, the employee’s share of costs (excluding premium contributions) for allowed benefits provided under the plan cannot exceed 40%.

The Blasters, Drillrunners & Miners Union Local No. 29 Welfare Fund (“Plan”) complies with all of the ACA’s currently applicable requirements for group health plans, and will continue to comply with all of the ACA’s upcoming requirements as they become effective. Employers that remit the required contributions to this Plan on behalf of their employees will not be subject to the employer shared responsibility penalty for those employees so long as the coverage is deemed affordable. The Plan’s consultant has determined that the coverage offered under this Plan provides “minimum value”. Such coverage is offered to all covered participants and their dependents. Finally, affordability for the individual is a given if there is no employee contribution toward coverage. However, if there is any employee contribution toward coverage, since wages

are not reported to the Plan and the Plan is not aware of the household income of participants, the Plan will not make the affordability determination. This is the employer's responsibility.

Finally, you should complete and file any IRS reports related to the ACA for which you are responsible.

In closing, government guidance on the ACA's requirements is continuously being updated, thus, the information provided herein is only current as of the date of this mailing.

Very truly yours,

The Board of Trustees of the
Blasters, Drillrunners & Miners Union
Local No. 29 Welfare Fund