



May 8, 2015

Dear Board of Trustees and Plan Professionals:

We are pleased to inform you BeneSys has established an ACA Compliance subcommittee specifically to tackle the upcoming compliance deadlines. The committee has evaluated the next filing requirements for forms 1094 and 1095, which must be distributed in early 2016. We are documenting the requirements, designing the programming changes needed to comply with the regulations, and can say with confidence we will be prepared to administer these requirements.

Essentially, there are two functions BeneSys will perform for our client Trusts:

- Mail each participant a 1095B form indicating coverage information for members and dependents, as they will need to include the form or information with their IRS tax filing for calendar year 2015. BeneSys will mail the form by January 31, 2016, and annually in conjunction with our annual tax forms each year going forward.
- File with the IRS a 1094B form showing summary coverage information for each client and a list of covered participants and dependents on behalf of our entire group of client Trusts.
- Please note: if your Trust has a Fully Insured option, the carrier is responsible for handling both filings for the fully insured members and dependents. BeneSys will handle the filings for any self-funded members and dependents.

The Compliance subcommittee has also reviewed the Large Employer obligations under ACA, noting they are also required to submit forms 1094C and 1095C. While BeneSys will not be filing these forms for the employers, the above filings (1094B) may satisfy the 1095C, Part III, if that Employer contributes to a multiemployer benefit plan. BeneSys has determined that we cannot accurately determine if a contributory employer is classified as a Large Employer, however, we are willing to provide employers with a standard summary of their contributions and reported employees for the calendar year upon request.

As you can imagine, the amount of work and programming required to comply is substantial. Consequently, we are asking for a onetime implementation fee of \$1,500 billed with your Trust's 4th quarter invoice, and adding the forms to the service agreement with W-2 and 1099 forms, at the same individual form rate each year going forward. There will be no additional annual charges.

Please consider and take action on our request at the next available opportunity. We continue to value our relationship with your Trust, and look forward to many future years working together.

Sincerely,

Chris Crowley
President