

NOTICE

INCLUDE WITH STATEMENT OF GROUNDS OF APPEAL

January 2024

To all SAG-AFTRA Health Plan (Plan) Participants and Dependents residing in Massachusetts:

IMPORTANT: If you had coverage during 2023 under Medicare Part A or certain governmental plans that qualify as MCC, or if you were covered under another health plan that qualified as MCC during 2023, you are automatically exempt from any MCC penalty and will not have to take any action to obtain a waiver.

Massachusetts state law requires that MA residents have health coverage that meets certain requirements (MCC) or face a potential penalty under the state's individual coverage mandate. For MA state law purposes, MCC is the minimum level of coverage that a resident must have in order to be considered covered under MA state law and avoid tax penalties. Note that the state MCC requirements are different from the federal Affordable Care Act (ACA) requirements. While the Plan offers high-level benefits, considered "minimum essential coverage" under ACA standards, it does not provide full maternity coverage for dependent children and, therefore, it is not considered "MCC" under MA's requirements.

The result of not being covered by a health plan providing MCC is that you are subject to a Massachusetts state tax penalty. However, the Plan has been in close contact with the Connector to coordinate a process for MA residents covered by the Plan to **avoid** any state tax penalties related to MCC.

We have advised the Connector that the penalty should not apply to individuals with SAG-AFTRA Health Plan coverage during the 2023 tax year because 1) you purchased health coverage that was close to or substantially met the MCC requirements (the SAG-AFTRA Health Plan coverage) and, under the circumstances, you did not purchase other insurance that met the MCC requirements; and/or 2) you purchased health coverage that did not meet MCC requirements (the SAG-AFTRA Health Plan coverage) because that is all that your employer offered and, under the circumstances, you did not purchase other insurance that met the MCC requirements. You will be able to indicate that on your Statement of Grounds, and you'll enclose this notice as support. You **may** also base your appeal on other circumstances, such as a documented financial hardship during 2023 that satisfies criteria stated in the Schedule HC instructions if you wish to do so, but it will not be necessary.

Be advised that the SAG-AFTRA Health Plan has no role or input in, nor any control over, the appeal process, and cannot advise you as to the best manner in which to pursue an appeal. That being said, however, we have worked closely with the Connector to advocate on behalf of all Plan participants and dependents

residing in Massachusetts to assist you in this process and that have been cooperatively partnering with us to make this process as easy as possible.

If you have any questions regarding this notice, please contact the Plan at (800) 777-4013. You can also speak with your tax consultant.

For questions regarding tax forms, contact the MA Department of Revenue:

Email: <https://wfb.dor.state.ma.us/DORCommon/ContactUs.aspx?grp=dor&type=pit>

Phone: DOR's call center hours for tax help are 9 a.m. – 4 p.m., Monday through Friday. (617) 887-6367 or (800) 392-6089 (toll-free in Massachusetts)

For questions regarding the HC tax penalty appeal process, contact the Connector:

Email: Connector-appeals (CCA) connector-appeals@mass.gov

Phone: 617-933-3164 (leave a detailed message and best time to call back)

Thank you for your cooperation and please do not hesitate to contact us if you need assistance.

Sincerely,

SAG-AFTRA Health Plan