

## **TEMPORARY GUIDANCE ON THE EMPLOYEE NOTICE OF HEALTH INSURANCE MARKETPLACE OPTIONS**

The Department of Health and Human Services (HHS) calls the Exchange a “Health Insurance Marketplace”. The Department of Labor (DOL) refers to the notice as the “Employee Notice of Coverage Options.”

The notice requirement applies to all employers that are subject to the Fair Labor Standards Act (FLSA). Most employers fall into this category, but there are exceptions. The following link may assist employers in making this determination:

<http://www.dol.gov/elaws/esa/flsa/scope/screen24.asp>

### **RECIPIENT/DISTRIBUTION REQUIREMENTS**

This one-time notice must be provided to ALL current employees no later than October 1, 2013. New employees hired on or after October 1 must be provided the notice within 14 days of an employee's start date.

Employers must provide a notice to all full-time and part-time employees, regardless of whether the employee is enrolled in an employer-sponsored medical plan.

Employers must provide this notice even if they do not offer any health coverage to employees.

Notices must be in writing and can be delivered electronically by the employer if the ERISA standards for electronic delivery are met.

### **AFFORDABLE/MINIMUM VALUE CLARIFICATION**

Coverage is AFFORDABLE if the employee-only contribution for the lowest-cost plan offered costs less than 9.5% of an employee's W-2 wages (you may use last years income as a basis).

Coverage is MINIMUM VALUE if the plan pays at least 60% of allowed charges for covered services. You will need to confirm with the plan carrier if the plan meets that definition.

### **CHANGES TO COBRA NOTICE**

Your Cobra Administrator must update your notices to comply with the ACA Marketplace requirements.

**The following link gives all the detail from the DOL website:**

<http://www.dol.gov/ebsa/pdf/tr13-02.pdf>

<http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf> Model Notice - offer coverage.

<http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf> Model Notice—don't offer coverage

<http://www.shrm.org/hrdisciplines/benefits/articles/pages/cobra-exchange-notices.aspx?homepage=mpc> Cobra notice information