



EXPERT UPDATE



DOL Releases Guidance and Model Notices for the Health Insurance Marketplace



HENDERSON
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Employers are required to provide all new hires and current employees with a written notice about the health benefit Exchange, which is now referred to as the "Marketplace". This notice of Exchange was supposed to be provided to employees back on March 1, 2013, but was delayed pending additional guidance. On May 8, 2013, the DOL issued temporary guidance and model notices that employers may use to notify employees of the Marketplace and the options that it provides.

What Employers are Required to Distribute the Notices?

Employers that are subject to the Fair Labor Standards Act (FLSA) must distribute the Marketplace notice. This means that even small employers, those who are not subject to the Employer Shared Responsibility (Play or Pay) provision of health reform, are obligated to distribute a notice as well.

When to Distribute

The DOL has indicated that notices must be automatically provided to all current full-time and part-time employees no later than October 1, 2013. New hires with start dates beginning on or after October 1, 2013 must be provided the notice and it must be given to the employee within 14 days following the first day of employment.

The Notices

Notice for Employers that do not offer Group Health Coverage

This particular notice has been designed to communicate a brief description of the Marketplace, information about the website and enrollment application. The notice also contains employer contact information and a statement that the notice recipient is not eligible for employer-sponsored coverage.

Notice for Employers that offer Group Health Coverage

This longer version of the notice provides all the information identified above and it also includes specific details about the employer's health plan, including who is eligible and whether the plan meets the minimum value and affordability standards. This version also includes an optional section that employers can complete that mirrors the Employer Coverage Tool that is included in the Marketplace enrollment application. Although this last section of the notice is optional for employers, the DOL suggests that plan sponsors take the time to complete this portion of the form to ensure employees understand their coverage choices. The more information that is provided at the time the notice is distributed the greater the likelihood employees will understand their options. This means less phone calls and emails to Human Resources from confused employees.

Optional Section for Employers to Complete

The information below corresponds to the Marketplace Employer Coverage Tool. Completing this section is optional for employers, but will help ensure employees understand their coverage choices.

13. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next 3 months?

Yes (Continue)

13a. If the employee is not eligible today, including as a result of a waiting or probationary period, when is the employee eligible for coverage? _____ (mm/dd/yyyy) (Continue)

No (STOP and return this form to employee)

14. Does the employer offer a health plan that meets the minimum value standard*?

Yes (Go to question 15) No (STOP and return form to employee)

15. For the lowest-cost plan that meets the minimum value standard* offered only to the employee (don't include family plans): If the employer has wellness programs, provide the premium that the employee would pay if he/ she received the maximum discount for any tobacco cessation programs, and didn't receive any other discounts based on wellness programs.

a. How much would the employee have to pay in premiums for this plan? \$ _____

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

If the plan year will end soon and you know that the health plans offered will change, go to question 16. If you don't know, STOP and return form to employee.

16. What change will the employer make for the new plan year?

Employer won't offer health coverage

Employer will start offering health coverage to employees or change the premium for the lowest-cost plan available only to the employee that meets the minimum value standard.* (Premium should reflect the discount for wellness programs. See question 15.)

a. How much will the employee have to pay in premiums for that plan? \$ _____

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

Date of change (mm/dd/yyyy): _____

Assistance from Henderson Brothers, Inc.

Our staff recognizes how important it is to educate employees properly of their options. Most employers will continue to offer group health coverage and the majority will be able to provide a health plan that meets the minimum value and affordability requirements, and as a result, the majority of employees will find very little value in the Marketplace options. For most individuals,

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the Exchange will provide less benefit at much greater cost. Our staff will work hard to make sure our clients are able to get that message across this fall.

DOL Technical Notice: <http://www.dol.gov/ebsa/newsroom/tr13-02.html>

Model Notice for Employer with no health plan:
<http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf>

Model Notice for Employer that provides a group health plan:
<http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>

Contributor:

Shari Herrle
Henderson Brothers, Inc.
Director of Compliance

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