

To: UT and TBR Central Office

From: Benefits Administration

Re: Marketplace required notice - Sample letter

The Affordable Care Act requires employers to provide a notice of coverage options to each employee, regardless of plan enrollment status (if applicable) or of part-time or full-time status.

As we committed to you earlier, with this memo we are sharing the notice that we are using with state employees along with other relevant information and the web links to federal resources about this requirement. Please feel free to use the sample notice that we have provided, adding information specific to your agency, or, develop your own.

Employers are not required to provide a separate notice to dependents or other individuals who are or may become eligible for coverage under the plan but who are not employees.

Employers are required to provide the notice to each new employee at the time of hiring. The Department (U.S. Department of Labor) will consider a notice to be provided at the time of hiring if the notice is provided within 14 days of an employee's start date.

You can find background on the notice to inform employees of coverage options here:

<https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/faqs/notice-of-coverage-options>

The notice must be provided in writing in a manner calculated to be understood by the average employee. **Here is a link to the required model notice:**

<https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/affordable-care-act/for-employers-and-advisers/coverage-options-notice>

Following is a sample letter with the "**basic information about health coverage**" section completed for you. You will need to complete all of the sections highlighted in yellow and mail your letter to your employees. As stated above, you will also need to provide this information to all new hires within 14 days of an employee's start date.

With regard to number 15, question a. *How much would the employee have to pay in premiums for this plan?:* \$64 is the premium amount for the Employee Only lowest cost plan.

With regard to number 16, question a. *How much will the employee have to pay in premiums for that plan?:* \$68 is the premium amount for the Employee Only lowest cost plan.

New Health Insurance Marketplace Coverage

Form Approved
OMB No. 1210-0149

Options and Your Health Coverage

PART A: General Information

There is a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment based health coverage offered by your employer.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace is held annually in the fall. Check the www.healthcare.gov website for more information and deadlines.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.¹

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution -as well as your employee contribution to employer-offered coverage- is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact The Office of Human Resources at 931-221-7181.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹ An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name Austin Peay State University		4. Employer Identification Number (EIN) 62-0646576	
5. Employer address 601 College St		6. Employer phone number 931-221-7177	
7. City Clarksville		8. State TN	9. ZIP code 37044
10. Who can we contact about employee health coverage at this job? The Office of Human Resources			
11. Phone number (if different from above) 931-221-7181		12. Email address humanresources@apsu.edu	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:
 - ☐ All employees.
 - ☒ Some employees. Eligible employees are:
 - Full-time employees regularly scheduled to work at least 30 hours per week
 - Seasonal or part-time employees with 24 months of service and certified by their appointing authority to work at least 1,450 hours per fiscal year, (July–June) [per state law, will not apply to employees hired on or after July 1, 2015]
 - All other individuals cited in state statute, approved as an exception by the State Insurance Committee, or defined as full time employees for health insurance purposes by federal law
 - With respect to dependents:
 - ☒ We do offer coverage. Eligible dependents are:
 - Your spouse (legally married)
 - Natural or adopted children
 - Stepchildren
 - Children for whom you are the legal guardian
 - Children for whom the plan has qualified medical child support orders
 - ☐ We do not offer coverage.
- ☒ If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

****** Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, [HealthCare.gov](https://www.healthcare.gov) will guide you through the process. Here's the employer information you'll enter when you visit [HealthCare.gov](https://www.healthcare.gov) to find out if you can get a tax credit to lower your monthly premiums.

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? \$64

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? \$68

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

Date of change (01/01/2023)

• An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986)