

August 30, 2013

Dear Organization Leader,

I am writing to inform you of a new requirement placed on employers by the Affordable Care Act (ACA), and to assist your organization's efforts to comply with this requirement. In summary, the ACA requires all employers to distribute a legal notice to **all current employees** no later than October 1, 2013, and generally at the time of hire for new employees hired after October 1.

**What notice must be sent, and what information must it contain?**

The Department of Labor (DOL) created two model notices: one for employers who offer a health plan to some or all employees and one for employers who do not offer a health plan. These model notices are available in fillable PDF format on the DOL's website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) under the "Affordable Care Act" menu option, "Notice to Employees of Coverage Options" section. A printed sample of the model notice to be used by employers who offer a health plan to some or all employees is enclosed for your convenience.

If your organization offers a health plan to some or all employees (either through WELS VEBA or a different health insurance plan), your organization must complete the enclosed model notice and timely distribute to employees. To complete, populate the fields in Part A and Part B as outlined below.

Part A (Page 1)

The only item that your organization must complete is the contact field under "How Can I Get More Information?" Your organization may insert the name of an individual at your organization who is familiar with the health plan and the organization's compensation plan, or insert the WELS Benefit Plans Office (phone: 414-256-3860, email: [bpo@wels.net](mailto:bpo@wels.net)).

Part B (Page 2)

- Each item on this page must be completed by your organization.
- The responses to items #3-12 should provide information relating to your ***local organization***, not WELS or the Benefit Plans Office.
- Under the section beginning "Here is some basic information..." your organization should complete this section with information relating to your local organization's compensation and benefit guidelines. Eligibility rules for health plan premium contributions may vary by organization.
- Regarding the final check box on Part B (Page 2), all WELS VEBA health plan options qualify to meet the "minimum value standard." This box should be checked if your organization offers WELS VEBA health plan coverage to some or all employees.
- Note that the information provided on Part B (Page 2) should be the same for each notice sent to each employee, regardless of each employee's enrollment or eligibility status under the health plan provided by your organization.

Part B (Page 3) – OPTIONAL

- Completion of this page is OPTIONAL, but providing the information will assist any employee that applies for coverage in the Marketplace and may save you time and phone calls later.
- Note that the information requested in item #13 is employee specific, so the response may vary by employee.
- The response to item #14 is always "Yes" for employees offered WELS VEBA health plan coverage.

**Over**

- In item #15a, make sure you include only the dollar amount of the employee-paid portion of the employee-only coverage level contribution. If the employer pays 100% of the employee-only coverage contribution, the response to item #15a will be \$0.

If you choose not to complete Part B (Page 3), then provide each employee with Part A (Page 1) and Part B (Page 2) so that your organization satisfies the notice requirement. If you choose to complete the optional Part B (Page 3), answer the questions and provide the three-page notice to each employee.

Note: If your organization does not offer a health plan to any employees, the model notice that you must distribute to employees to satisfy the requirement is different from the sample model notice enclosed with this letter. Please refer to the DOL's website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) under the "Affordable Care Act" menu option, "Notice to Employees of Coverage Options" section for a link to the appropriate model notice.

**To which employees must the notice be distributed, and when?**

October 1, 2013: Provide the notice to all current employees by October 1, 2013

After October 1, 2013: Provide the notice to all new employees who are hired after October 1, 2013, on the date of hire

**How often must the notice be distributed?**

The notice must be provided one time to each employee as noted above. The organization is not required to distribute the notice annually or provide the notice to spouses or dependents.

**How must the notice be distributed?**

In general, the notice must be distributed to each employee by first class mail.

**Is the organization required to retain records of notice distribution?**

It is recommended that the organization retain a list of current and future employees to whom the notice is distributed and the date of distribution to document that the notice requirement was satisfied.

Please note that the federal government has issued this notice requirement in the form of temporary guidance. Final requirements may change, but organizations can rely on the government's temporary guidance to comply with their requirements through December 31, 2013. The WELS Benefit Plans Office will be monitoring regulations and will keep organizations informed when new guidance is released.

Questions regarding this matter may be directed to the WELS Benefit Plans Office by email to [bpo@wels.net](mailto:bpo@wels.net) or by calling 414-256-3860.

In Christ's service,



Joshua Peterman  
Director of Benefit Plans

Enclosure

*The WELS Benefit Plans Office welcomes the opportunity to share this general information and assist organizations in their efforts to comply with this requirement. However, the content provided in this document is intended for informational purposes only and is not intended or provided as legal or tax advice.*



# New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved  
OMB No. 1210-0149  
(expires 11-30-2013)

## PART A: General Information

When key parts of the health care law take effect in 2014, there will be 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 begins in October 2013 for coverage starting as early as January 1, 2014.

### 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.<sup>1</sup>

**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 Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit [HealthCare.gov](http://HealthCare.gov) for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

<sup>1</sup> 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		4. Employer Identification Number (EIN)	
5. Employer address		6. Employer phone number	
7. City	8. State	9. ZIP code	
10. Who can we contact about employee health coverage at this job?			
11. Phone number (if different from above)		12. Email address	

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:

- With respect to dependents:  
We do offer coverage. Eligible dependents are:

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? \$

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):

• 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)

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