

The Affordable Care Act requires employers subject to the Fair Labor Standards Act (FLSA) to provide information to current employees and new hires about the availability of the forthcoming health insurance exchanges and subsidies that may be available through the exchanges for qualified individuals.

Attached is further explanation on the requirement along with model notices provided by the Department of Labor that you can use to communicate to your employees. You are not required to use the DOL model notices. You may use your own modified version provided the notice meets the content requirements.

We recommend that employers retain a copy of the notice sent and a list of how the notice was distributed, to which individuals the notices was provided and the date(s) it was provided to individual employees.

When employees receive this notice it will likely generate questions. The questions will also lead to whether employees should consider exchange coverage. Employees should be told that if the cost of their health plan from their employer to cover only them (and not any family members) is more than 9.5% of their household income for the year, or if the coverage your employer provides does not meet the “minimum value” standard set by the ACA they may be eligible for a tax credit from the Marketplace. It is our understanding that all plans offered by you meet the “minimum value” standard (total allowed benefit costs covered by the plan is no less than 60% of such costs). Employees should be assured that this notification has minimal impact on them.

At the same time the DOL issued its model exchange notice template, it also released a new model COBRA-election notice that group benefit plans must provide to departing employees about their COBRA coverage options. The COBRA Model Election Notice was revised to inform qualified beneficiaries of coverage options available through the exchange marketplaces. The template can be found online at www.dol.gov/ebsa/modelectionnotice.doc

Please contact us directly if you have further questions.

Thank you,

Mark T. Duffy
Jeff Livingston
Kerrin D. McCarthy
DLS Benefit Services
200 Atlantic Avenue
Manasquan, NJ 08736
[732\) 528-4470 x104](tel:7325284470)
[732\) 528-4434](tel:7325284434) Fax