

September 2013

BENEFITS ALERT: Health Care Reform

Marketplace Notices

As you may be aware, employers are required under the Affordable Care Act to send a notice to participants letting them know of the availability of the insurance marketplace that will go into effect as of January 1, 2014 (formerly called the “exchange”) and how it impacts their current health plan coverage. Employers must send the notice by October 1st, which is when individuals can begin signing up for coverage in the marketplace.

Model Notice

Although the Department of Labor has released a model notice, it did not design it with multiemployer plans in mind. In particular, the notice states:

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.

Of course, this is not true of multiemployer plans, as employer contributions are mandated by collective bargaining and will be made regardless of whether an employee signs up for marketplace coverage. Because this statement is not accurate, we suggest adding some language to the notice clarifying how the “Note” applies to multiemployer plans. We would be happy suggest appropriate language.

You can download a copy of the model notice here: <http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>

Cover Letter

In addition, because they participate in a multiemployer plan, the notice may confuse employees. Therefore, employers and/or multiemployer plans may want to send a letter in advance or include a cover letter with the notice letting participants know that they will not be losing their current coverage and do not need to enroll in the marketplace. We would be happy to help you draft appropriate language for a letter.

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