



Affordable Care Act Compliance Reminder

Although the IRS has announced that it will delay the enforcement of certain provisions of the Patient Protection and Affordable Care Act (also known as the “Affordable Care Act” or “Obamacare”), employers are still required to give notice to employees about coverage available through state insurance exchanges by October 1, 2013. The Department of Labor has announced, however, that there is no fine or penalty for failing to give the notice.

By way of background, the Affordable Care Act mandates that all individuals have health coverage effective January 1, 2014, or face a financial penalty (in the form of a tax) for failing to obtain health coverage. Those without affordable employer-based coverage will be able to shop for insurance in state exchanges. Open enrollment in state exchanges begins October 1, 2013.

All employers (including employers of domestic service workers such as chauffeurs, housekeepers, cooks, babysitters, and personal attendants) are required to provide written notice to all employees as to:

- The existence of the exchange;
- A description of the services provided by the exchange;
- How to contact the exchange to request assistance;
- The employee’s potential eligibility for subsidized coverage on the exchange if the employer’s group health plan doesn’t provide “minimum value” (i.e., the plan’s share of the total allowed costs of benefits provided under the plan is less than 60 percent of such costs); and
- The fact that the employee may lose the employer contribution (if any) toward health insurance coverage if he or she chooses to purchase individual coverage through the exchange.

This notice is required regardless of whether or not the employer is covered by the employer shared responsibility provision of the Affordable Care Act, which requires that employers of 50 or more full-time employees offer health insurance to employees with more than 30 hours of service per week or 130 hours of service per month. Employers who are required to offer health insurance under this provision now have until January 2015 to do so.

Employers may provide the notification described above by first-class mail, or by email if employees have access to a work computer that is integral to their job duties. For employees hired after October 1st, the employer must provide notice within fourteen days of the employee’s start date.

To assist employers, the Department of Labor has issued two “model” notices—one for employers that sponsor a group health insurance plan, which can be viewed [here](#) and another for employers who do not, which can be viewed [here](#).

For additional information about the Patient Protection and Affordable Care Act, please contact [Walter Steimel, Jr.](#), [Mark Goldberg](#) or [Erin M. Smith](#).

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