



Date: June 13, 2016

To: All Diocese Health Plan Participating Employers

From: James Gulick, Finance Officer



PLEASE READ CAREFULLY

REQUIRED EMPLOYEE MARKETPLACE (EXCHANGE) NOTICE

On September 16, 2013, we notified all employers of the Affordable Care Act (ACA) requirement to provide a Notice of Marketplace Coverage Options ("Marketplace Notice") to all employees. This is a reminder that the Marketplace Notice needs to be given to all new employees at the time of hiring. To assist you in fulfilling this requirement, attached is (1) a sample employee cover letter to accompany the government Marketplace Notice (date and print on employer letterhead) and (2) the DOL model government Marketplace Notice. (The term "Exchange" is sometimes used for the term "Marketplace.")

IMPORTANT DETAILS & ACTION ITEMS

- Employers of all sizes must provide the Marketplace Notice to all new employees within 14 days of their hire date (both full-time and part-time), if subject to the Fair Labor Standards Act (FLSA).
- Dependents do not need to receive a separate notice (employee only requirement).
- The DOL model Marketplace Notice totals three pages, however, page three is optional. We do not recommend completing or providing your employees page 3, so we have deleted it from the model Marketplace Notice attached.
- Employers are required to fill in the information contained in pages one and two of the DOL model Marketplace Notice.
- Review the attached employee cover letter to be distributed to all employees. It should be dated and printed on the Participating Employer's letterhead.

**Note** if you are an Invitee and have adjusted the recommended employee's premium, you must adjust the bullets to fit your facts in last section on the employee cover letter entitled "What does "Affordable" mean According to ACA rules?". An increase in the employee's portion of the premium could affect whether or not the coverage is affordable for your employees.

## COMPLETION OF THE FEDERAL MARKETPLACE NOTICE ITEMS

- On page one, the proper contact information for employees seeking more information about their coverage has been completed for you.
- Fill in the portion of page 2, Part B, highlighted in blue items 3 through 9, with your own employer information, including the name, EIN, address and phone number of your entity as a Participating Employer, not the Cleveland Diocese. The plan contact information, items 10-12, have been completed for you.
- Under the first bullet point on page two, check the box “some employees” and include the following eligibility requirements:
  - “1. All full-time employees, and
  - 2. All part-time employees working at least 20 hours per week; or certain grandfathered part-time employees hired before July 1,2004.No temporary (hired for a period of no more than 3 full calendar months) or seasonal employees.”

*However*, if you are an Invitee who has changed or added requirements for participation, such as number of hours worked or waiting period; you must revise to reflect your eligibility requirements for participation.

- Under the second bullet point on page two, check the appropriate box that the plan offers coverage to dependents. Fill in the definition of an eligible dependent:

Dependent is employee’s legal spouse of the opposite sex, employee’s children up to age 26. Children include biological, stepchildren, and legally adopted children.
- Finally, the last box should be checked if the plan provides minimum value and is intended to be affordable. The term “minimum value” refers to a plan with an actuarial value of least 60%. Our understanding is that the Diocesan Health plan passes the minimum value test. The term “affordability” refers to employee contributions. If you are following the recommended employee contribution, you may check the box. If you have adjusted the employee contribution, check the box if the contributions for full-time employees under the employee-only coverage option would be less than 9.66% of Form W-2 wages for the 2016 plan year.

## IMPORTANT RECORD KEEPING

Remember to document all ACA compliance steps taken. Keep a copy of the employee communication and completed DOL Marketplace Notice, and be sure to document the delivery of the communication and Marketplace Notice to all employees and each new hire. You must be able to show that the Marketplace Notice was timely provided to all employees and on an ongoing basis to all new hires. ACA recordkeeping remains important.