

September 24, 2013

**ALL STAFF MEMBERS:**

Dear Employee,

The Affordable Care Act requires virtually everyone to maintain health coverage in 2014 or risk paying a tax. Enclosed are two important documents that may guide you in understanding your obligations.

The first document is a marketplace notice that explains your right to buy coverage through the newly established health insurance marketplace. The opportunity to enroll in the marketplace will begin October 1, 2013, with coverage effective beginning January 1, 2014. Weigh your options through the marketplace carefully with any other options you may have.

The second enclosed document contains some Questions and Answers about your responsibility to maintain health coverage beginning in 2014.

We hope you find this information helpful. Additional information is available at [www.healthcare.gov](http://www.healthcare.gov).

Sincerely,

Jackson-Milton Local School District

Note: Generally, individuals are eligible for government assistance when their income falls between 100% and 400% of the federal poverty level, and they are ineligible for minimum value coverage that is affordable. In addition, an individual is ineligible for government assistance if the individual is actually covered by a health plan, whether or not that plan meets minimum value or affordability.



# 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.

(SEE REVERSE SIDE FOR MORE INFORMATION)

<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 Jackson-Milton Local School District		4. Employer Identification Number (EIN) 34-6001492	
5. Employer address 13910 Mahoning Ave.		6. Employer phone number 330-538-3232	
7. City North Jackson	8. State Ohio	9. ZIP code 44451	
10. Who can we contact about employee health coverage at this job? John Zinger Treasurer			
11. Phone number (if different from above)		12. Email address john.zinger@jacksonmilton.k12.oh.us	

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:  
Teachers, Administrators, Coordinators, Bus Drivers, Head Cooks, Custodians, and Maintenance Personnel, all of which are subject to negotiated agreements/contracts for eligibility.
  - With respect to dependents:
    - We do offer coverage. Eligible dependents are:  
Up to age 26
    - 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](http://HealthCare.gov) will guide you through the process. Here's the employer information you'll enter when you visit [HealthCare.gov](http://HealthCare.gov) to find out if you can get a tax credit to lower your monthly premiums.

## **If I buy coverage through the marketplace, will I lose my employer's contribution toward coverage?**

Yes. If your employer maintains a health plan outside the marketplace that provides minimum value at an affordable cost, and you choose to decline the employer plan and purchase coverage through the marketplace, you will forfeit the employer contribution.

If your employer is a small employer (defined as one who employs 50 or fewer full-time equivalent employees) and purchases coverage through the marketplace in what is known as a Small Business Health Options Program ("SHOP"), you may be eligible for an employer contribution.

*The information contained herein is not intended to be legal, accounting, or other professional advice, nor are these comments directed to specific situations. The information contained herein is provided as general guidance and may be affected by changes in law or regulation. The information contained herein is not intended to replace or substitute for accounting or other professional advice. Attorneys or tax advisors must be consulted for assistance in specific situations. This information is provided as-is, with no warranties of any kind. CBIZ shall not be liable for any damages whatsoever in connection with its use and assumes no obligation to inform the reader of any changes in laws or other factors that could affect the information contained herein. As required by U.S. Treasury rules, we inform you that, unless expressly stated otherwise, any U.S. federal tax advice contained herein is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any penalties that may be imposed by the Internal Revenue Service.*

## **Helpful Links to Informational Sites**

CBIZ Health Reform site:

<http://www.cbiz.com/healthreform>

Federal Government Health Reform Site:

<https://www.healthcare.gov/families/>

Center for Consumer Information and Insurance Oversight (CCIO):

<http://www.cms.gov/ccio/resources/data-resources/ehb.html>

Kaiser Family Foundation Site:

<http://kff.org/>



our **business**  
is growing **yours.**

Copyright 2013 CBIZ, Inc. NYSE Listed: CBZ. All rights reserved.

## **The Affordable Care Act: What Does It Mean for Me?**



## **Frequently Asked Questions About Health Reform**



## The Affordable Care Act: What does it mean for me?

### Does the Affordable Care Act require me to do anything?

Beginning January 1, 2014, virtually all individuals legally present in the United States must have health coverage, or risk being subject to a tax. For a list of individuals exempt from this requirement, see Question 6 from the IRS' Q&As on the individual shared responsibility requirement at this website:

<http://www.irs.gov/uac/Questions-and-Answers-on-the-Individual-Shared-Responsibility-Provision>

### What kind of health coverage must I have?

You must maintain minimum essential coverage, such as coverage under:

- ◊ An employer-sponsored group health plan offered in a state, which is defined as the 50 states plus the District of Columbia. This includes plans offered by, or on behalf of, an employer to an employee, e.g. multiemployer plans, single employer collectively bargained plans, plans sponsored by third parties such as professional employer organizations, temporary staffing agency, etc.;
- ◊ such as Medicare, Medicaid, Children's Health Insurance Program (CHIP), TRICARE, and various Veteran's health programs; or
- ◊ An individual health insurance policy offered Government-sponsored plans in the individual market in a state or through an Exchange/Marketplace in a territory.

### What is the penalty if I do not maintain coverage?

The potential penalties that could be imposed by the IRS for failure to maintain minimum essential coverage are:

Year	Penalty
2014	Greater of: <ul style="list-style-type: none"><li>◊ \$95 per adult and \$47.50 per child (up to \$285 for a family); or</li><li>◊ 1.0% of family income</li></ul>
2015	Greater of: <ul style="list-style-type: none"><li>◊ \$325 per adult and \$162.50 per child (up to \$975 for a family) or</li><li>◊ 2.0% of family income</li></ul>
2016 and Beyond	Greater of: <ul style="list-style-type: none"><li>◊ \$695 per adult and \$347.50 per child (up to \$2,085 for a family) or</li><li>◊ 2.5% of family income</li></ul>

### Where can I get health coverage?

If your employer offers health coverage, you may get coverage through your employer's plan if you meet the eligibility requirements of the plan;

- ◊ You may buy coverage through what is known as a marketplace in the state in which you live. More information about health coverage available through the marketplace for individuals and families can be found at this website: <https://www.healthcare.gov/families/>; or,
- ◊ You can purchase coverage on your own outside the marketplace.

### How do I pay for coverage?

If your employer offers coverage for which you are eligible, your employer might contribute all or pay a portion of the premium, as well.

The employer paid portion of the premium is not taxable income. Your portion of premium that you pay may be tax-favored (not taxable income) if your employer offers an IRC Section 125 cafeteria plan.

Health coverage is tax-favored for you and your family members. Certain individuals you want covered may not qualify for tax-favored coverage, and their coverage may be imputed into your income. An example of a family member who would not qualify for tax-favored benefits is a domestic partner unless the domestic partner qualifies as a qualifying relative for federal income tax purposes. You should consult your tax adviser on this matter.

If you buy coverage through the marketplace, you must pay for the coverage with after-tax dollars.

### Is there a premium tax credit or subsidy available if I buy coverage through the marketplace?

You may be entitled to government assistance for paying your health coverage in the form of a premium tax credit or a cost-sharing arrangement. To qualify for a subsidy, your household income must fall between 100% and 400% of the federal poverty level, and you must not be eligible for employer coverage that meets certain standards. Further, you must not be covered by another plan.

You can get an estimate of health insurance premiums and subsidies on plans offered through your state's marketplace by using a calculator available at this website: <http://kff.org/interactive/subsidy-calculator/>. Your final premiums and costs may differ from the estimates.

