

JUNE 20, 2013

HEALTH CARE REFORM FOR EMPLOYERS: NEW NOTICE DEADLINE FAST APPROACHING

In recent years, those of us who work in the employee benefits area have witnessed a virtual explosion in the number of notices that employers must provide to their employees. That list was recently expanded again by the Department of Labor (“DOL”) with the addition of a new mandatory notice informing employees about the Exchange that will soon be established by the government as a result of health care reform. *The deadline for employers to provide this notice is October 1, 2013.*

This new written notice pertains to the health insurance Exchange. The Exchange (or, as the government has taken to calling it lately, the “Marketplace”) is intended to provide a place where individuals can compare health insurance policies and purchase coverage (among other functions). The new notice, which must be given to both current employees and new hires, provides information about the Exchange and explains some of the consequences if an employee obtains coverage on the Exchange rather than through enrollment in an employer-sponsored health plan.

This new notice requirement applies to nearly all employers – even those that are very small or that are not otherwise subject to the “shared responsibility” requirements under health care reform. (The only employers exempt from the notice requirement are those that are not subject to the Fair Labor Standards Act.)

The notice must be provided to each current employee no later than October 1, 2013, and for each new employee hired after October 1, 2013, on the date of hire. The notice must be provided to all employees, regardless of their hours worked and regardless of their eligibility for employer-sponsored health benefits.

At a minimum, the notice must include all of the following information:

- Information about the Exchange, including contact information and a description of services provided by the Exchange;
- The employee’s potential eligibility for premium tax credits if he/she purchases coverage on the Exchange;
- The possibility of losing employer contributions to any employer-sponsored health plans if the employee purchases coverage on the Exchange; and
- The possibility that part or all of an employer’s contributions to an employer-sponsored health plan may be excluded from income for tax purposes.

[The full text of the DOL Technical Release outlining these rules can be found [here](#).]

DOWNTOWN WICHITA

301 N. Main St., Ste. 2000
Wichita, KS 67202-4820

EAST WICHITA

8621 E. 21st St. N., Ste. 200
Wichita, KS 67206-2991

OVERLAND PARK

6800 College Blvd., Ste. 600
Overland Park, KS 66211-1533

The DOL has released two model Exchange notices: one for employers that offer a health plan, and another for employers that do not. These model notices are just that – models – and it may be advisable for employers to modify them rather than to use them as-is. Some of the information that is in the DOL models goes beyond the actual content requirements and may or may not be in the best interest of all employers. The DOL model notice for employers that offer a health plan can be found [here](#), and the model notice for employers that do not offer a health plan can be found [here](#).

As we mentioned above, the number of notices an employer must provide related to employee benefit plans has grown significantly. During our recent presentations on health care reform, we provided attendees with a chart of the various welfare benefit plan-related notices that employers must provide to their employees. That chart is now available in PDF format, and you may access it by clicking [here](#).

If you have any questions regarding the new Exchange notice requirement, need assistance in preparing it, or have questions regarding the impact of health care reform on employers, please feel free to call Eric Namee, Steven Smith, or Brad Schlozman at (316) 267-2000.

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