

October 1st Is Coming: Are You Prepared For The Health Reform Deadline?

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Healthcare Reform

Under the Patient Protection and Affordable Care Act (PPACA), the Health Insurance Marketplace was created. As a result, on October 1, 2013, all employers subject to the federal Fair Labor Standards Act are required to distribute a notice of coverage options to their employees. For employees hired after October 1, employers must provide the notice of coverage options within 14 days from the date of hire.

Many employers remain unsure as to what the notice of coverage must contain in order to be compliant with the PPACA. The Department of Labor (DOL) has two model notices that can be used. See <http://www.dol.gov/ebsa/healthreform/> and "Notice to Employees of Coverage Options."

Employers can either use the appropriate DOL's model notice or its own notice provided the following is included:

- Information regarding the existence of the Health Insurance Marketplace as well as contact information and a description of the services provided by the Health Insurance Marketplace;
- Notice to the employee that he/she may be eligible for a premium tax credit under Section 36B of the Internal Revenue Code if the employee purchases a qualified health plan through the Health Insurance Marketplace; and
- A statement informing the employee that if he/she purchases a qualified health plan through the Health Insurance Marketplace, the employee may lose the employer contribution to any health benefit plan offered by the employer and that all or a portion of such contribution may be excluded from income for federal income tax purposes.

The notice must be in writing and in a manner that is understood by the average employee. It can be provided either electronically or via first class mail. If provided electronically, it must meet the DOL's electronic disclosure safe harbor requirements. Finally, this notice must be sent to all employees regardless of part-time or full-time classification or plan enrollment status.

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