

February 4, 2014

Marketplace Notice Required for New Hires

One of the major elements of the Patient Protection and Affordable Care Act (“PPACA”) is the creation of various insurance Exchanges across the country, now called “Marketplaces.” These Marketplaces operate as electronic hubs offering consumers “one-stop shopping” to find and compare private health insurance options and to shop for health insurance online. These Marketplaces became operational as of January 2014 with the enrollment process starting on October 1, 2013. The Marketplaces are initially available for individual consumers and small businesses. In 2017, it is expected they will be available to larger employers.

To help communicate the availability of these new Marketplaces, PPACA stipulates that employers must issue a Marketplace Notice to all workers. This Update is intended to remind employers that the Notice must be provided to all employees at time of hire. For more information on these Notice requirements, please see our [August 2013](#) and [September 2013](#) Updates.

Notice to New Hires. While the mandate for employers to offer benefits to eligible full-time employees, or pay a penalty per employee, has been delayed, the requirement to issue the Marketplace Notice has not been delayed. All employers must issue this Notice to all employees, including employees who are not eligible for or enrolled in their employer’s benefit plan. Employers are not required to provide a separate Notice to dependents or other individuals who are or may become eligible for coverage under the plan but who are not employees. With respect to employees who were current employees before October 1, 2013, employers were required to provide the Notice no later than October 1, 2013. Beginning October 1, 2013, employers are required to provide the Notice to each new employee within 14 days of an employee’s start date. The Notice is required to be provided automatically, free of charge, in writing by first-class mail or electronically, subject to the Department of Labor’s electronic disclosure requirements.

Notice Content. The Notice must include information regarding the existence of the new Marketplaces as well as contact information and the description of the services provided by a Marketplace. The Notice must also inform the employee that the employee may be eligible for a premium tax credit if he or she purchases a qualified health plan through the Marketplace, and must provide a statement informing the employee that if he or she purchases a qualified health plan through the Marketplace, the employee may lose the employer contribution (if any) to any health benefits plan offered by the employer and that all or a portion of such contribution may be excludable from income for Federal income tax purposes.

Form of Notice. The agencies have issued two [model notices](#) that employers may use to notify employees about health insurance Marketplaces. There is one model for employers who do not offer a health plan and another model for employers who offer a health plan for some or all employees. Employers may use one of these models, as applicable, or a modified version. Conner Strong & Buckelew used the DOL model notice to develop a standard Marketplace Notice that includes all components of Part A and portions of Part B (Part B is not required by the DOL).

Please contact your Conner Strong & Buckelew account representative for a copy of our modified Notice or if you have questions regarding the Notice or any other area of healthcare reform. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, please visit our online [Resource Center](#).



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