

Client Advisory | February 2013

DOL Postpones Employer Deadline to Provide Notice of Health Care Exchanges

In recently released FAQs about Affordable Care Act Implementation (Part XI), the US Department of Labor (DOL) postponed the March 1, 2013 deadline for employers to provide written notice to employees regarding the coverage options under the state Health Insurance Exchanges.

Section 18B of the Fair Labor Standards Act, as added by the Affordable Care Act, requires applicable large employers to provide each employee at the time of hiring (or with respect to current employees, no later than March 1, 2013) with a written notice:

- ♦ Informing the employee of the existence of the state Exchanges, including a description of the ser-

vices provide by the Exchanges, and the manner in which the employee may contact the Exchanges to request assistance;

- ♦ If the employer health benefit plan's share of the total allowed costs of benefits provided under the plan is less than 60% of such cost, the employee may be eligible for a premium tax credit if the employee purchases a qualified health plan through an Exchange; and
- ♦ If the employee purchases a qualified health plan through an Exchange, 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.

A new deadline has not been set, but the DOL expects that the timing for distribution of the notice will be the late summer or fall of 2013, which will coordinate with the open enrollment period for the state Exchanges. The DOL also stated that it is considering providing a model notice for employers to use.

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