



## **DOL Model Exchange Notice & Updated COBRA Notice**

The Department of Labor (DOL) recently issued provisions for coverage to be offered through a Health Insurance Marketplace (Marketplace), premium tax credits to assist individuals purchasing coverage, and employer's notice to employees "Exchange Notice" in Technical Release 2013-02. In addition, this article provided updated Model COBRA notices.

These provisions apply to all employers that are subject to the Fair Labor Standards Act, which pretty much includes everyone, regardless of whether they offer medical insurance or not.

The Model Notice must be sent to all current employees no later than October 1, 2013, even those who may not meet the ACA definition of full-time employee. After that date, the Model Notice must be provided to all new hires at the time of hire. Through the end of 2014, employers can satisfy this requirement by providing the Model Notice within 14 days of the hire date.

The Model Notice should include information on:

- Existence of the Marketplace
- Description of the services provided by the Marketplace
- How employees may contact the Marketplace for assistance
- If the employer's share of total cost of provided benefits is less than 60 percent (i.e., whether it offers minimum value)
- The possibility of being eligible for a premium tax credit under the Marketplace
- The loss of their employer's contribution (if any) for health benefits
- All or a portion of the contribution may be excludable from income for federal tax purposes

The Model Notice consists of two templates, one for employers who offer coverage and one for employers who do not.

The DOL has also provided the updated COBRA Election Notice, including a redline version that shows the Marketplace changes.

1. The notice must be furnished in a way that is reasonably calculated to ensure actual receipt using one of the below methods. Keep documentation to be able to prove the notice was given. First, second or third class mail
2. Hand-delivered (more challenging to prove delivery, unless obtained a signature)
3. Electronically

As a part of your service, HR Service, Inc. maintains the latest notices available in your online services. If this notice requirement is an ongoing notice, we will incorporate this into your all-in-one Employee Notice service.

