



TO: Employees

DATE: September 18, 2013

FROM: Human Resources

RE: New Health Insurance Marketplace Coverage Options

In 2014, the health care reform law creates a new type of online marketplace for purchasing health insurance coverage. This marketplace is referred to as a Health Insurance Marketplace, or an Exchange. You are not required to purchase insurance coverage through the Marketplace. East Central College is continuing to offer health coverage as explained below.

East Central College is providing the enclosed notice to help you understand your health insurance coverage options that will be available to you starting in 2014. Beginning in October 2013, you will be able to find and compare health insurance plans through the Marketplace and your coverage may start as early as January 1, 2014.

If you purchase coverage through a Marketplace, you may be eligible for a federal subsidy that lowers your monthly premiums or reduces your cost sharing. However, to receive these federal savings, you cannot be eligible for health plan coverage through the College that is affordable and provides "minimum value." This determination is made beginning January 1, 2014.

The availability of coverage through the Marketplace does not affect your eligibility for coverage through the College's health plan. The enclosed notice provides information about the College's health plan as it exists today. Information on the College's health plan coverage for 2014 will be provided in late October (during open enrollment). Please contact the Human Resources office for additional information on the plan's coverage.

More information on the health care reform law and the Marketplaces is available at [www.healthcare.gov](http://www.healthcare.gov).

Enclosure

## **New Health Insurance Marketplace Coverage Options and Your Health Coverage**

East Central College is required by law to provide you with this notice about the Health Insurance Marketplace, which offers a new way to buy health insurance beginning in 2014. To assist you as you evaluate your options for health coverage, this notice provides some basic information about the marketplace and coverage that may be available to you under the Group Insurance Plan for Hourly and Salaried Employees of East Central College.

### **What is the Health Insurance Marketplace?**

The marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers “one-stop shopping” to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

### **Can I Save Money on my Health Insurance Premiums in the Marketplace?**

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

### **Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?**

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the “minimum value” standard set by the Affordable Care Act, you may be eligible for a tax credit.<sup>1</sup>

**Note:** If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution—as well as your employee contribution to employer-offered coverage—is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

### **How Can I get More Information?**

For more information about your coverage offered by your employer, please check your summary plan description or contact Human Resources Office 636-584-6711.

The Marketplace can help you evaluate your coverage options, including our eligibility for coverage through the Marketplace and its cost. Please visit [HealthCare.gov](http://HealthCare.gov) for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

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<sup>1</sup> An employer-sponsored health plan meets the “minimum value standard” if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.