

## MEMORANDUM

**To:** Current Employees of the College of Charleston  
**From:** Human Resources  
**Date:** September 27, 2013  
**Subject:** Notice of New Health Insurance Marketplace Coverage Options

As your employer, the College of Charleston is required by the Affordable Care Act (ACA) to provide the attached *New Health Insurance Marketplace Coverage Options Notice* to you, regardless of whether you are currently eligible for health insurance. The Notice details the availability of the new federal Health Insurance Marketplace, an online marketplace offering individual health insurance options with open enrollment beginning October 1, 2013.

Beginning January 1, 2014, the “individual mandate” goes into effect and there may be tax implications for many individuals not maintaining health insurance coverage. The “individual mandate” is a provision of the federal law (ACA) that requires Americans to have health insurance in 2014 or pay a penalty. Information regarding this is detailed at: [www.healthcare.gov](http://www.healthcare.gov) (click on: “*Individuals & Families*”/ “*Most Popular*”/ “*What if someone doesn’t have coverage?*”) Please review this information carefully to better understand how the law may affect you in regards to health insurance coverage. Coverage may be maintained through an individual’s employer, their qualified family member’s employer, public programs such as Medicare or Medicaid, or an individual plan. **If you are enrolled in any of the health insurance plans as an employee of the College, you do not need to take any action in relation to this notice.**

Beginning on January 1, 2014, if you are employed with the College in a position that is **NOT** eligible for health insurance benefits (i.e., temporary, adjunct faculty, student workers, graduate assistants, etc.) and you are not insured by health coverage elsewhere, you may want to consider your options for health coverage in the Health Insurance Marketplace. It is important to note that the College will not be offering health insurance coverage to full-time **temporary** employees (i.e., temporary, adjunct faculty, student workers, graduate assistants, etc.) on January 1, 2014. The State is not providing this option due to the federal government’s decision to postpone this requirement to January 1, 2015.

Please refer to the attached documentation for further information. Additional information for individuals and families on the Health Insurance Marketplace, including more FAQ’s, is available at: [www.healthcare.gov](http://www.healthcare.gov) or by calling **1-800-318-2596**, which is available 24 hours a day, 7 days a week.

# NEW HEALTH INSURANCE MARKETPLACE COVERAGE OPTIONS

## PART A

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new marketplace and employment-based health coverage offered by your employer.

### **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>

Please note that the *State's Savings and Standard health insurance plans* have been determined to meet the minimum essential coverage requirements under the ACA.

**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 at 843-953-5512.

The marketplace can help you evaluate your coverage options, including your eligibility for coverage through the marketplace and its cost. Please visit [www.HealthCare.gov](http://www.HealthCare.gov) for more information, including an

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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.

online application for health insurance coverage and contact information for a health insurance marketplace in your area.

<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.

## HEALTH COVERAGE INFORMATION FOR MARKETPLACE APPLICATION

### PART B

If you decide to complete an application for coverage in the Health Insurance Marketplace, you will be asked to provide the information below. This information is numbered to correspond to the marketplace application.

<b>3. Employer Name</b> <i>College of Charleston</i>		<b>4. Employer Identification Number (EIN)</b> 57-6000265	
<b>5. Employer Address</b> 66 George Street		<b>6. Employer Phone Number</b> 843-953-5709	
<b>7. City</b> Charleston	<b>8. State</b> SC	<b>9. ZIP Code</b> 29424	
<b>10. Who can we contact about employee health coverage at this job?</b> Sandy Butler or Gwen McCullough			
<b>11. Phone Number (if different from above)</b>		<b>12. Email address</b> <a href="mailto:butlers@cofc.edu">butlers@cofc.edu</a> or <a href="mailto:mcculloughg@cofc.edu">mcculloughg@cofc.edu</a>	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:
  - Some employees. An eligible employee is:

Employed by the state, a higher education institution, a public school district or a participating local subdivision; works in a permanent, full-time position; and receives compensation from the state, a higher education institution, a public school district or a participating local subdivision. Eligible employees also include clerical and administrative employees of the S.C. General Assembly and judges in the state courts; General Assembly members; elected members of the councils of participating counties or municipalities who also participate in PEBA Retirement Benefits; and permanent, part-time teachers, who are considered employees for insurance purposes.

- With respect to dependents:
  - We do offer coverage. An eligible dependent is:

A lawful spouse or a former spouse who is required to be covered by a divorce decree; and a child younger than 26 who is the subscriber's natural child, adopted child, stepchild, foster

child, a child for whom the subscriber has legal custody or a child the subscriber is required to cover due to a court order.

- If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

\*\* Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Health Insurance Marketplace. The marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the marketplace, [www.HealthCare.gov](http://www.HealthCare.gov) will guide you through the process. Here's the employer information you'll enter when you visit [www.HealthCare.gov](http://www.HealthCare.gov) to find out if you can get a tax credit to lower your monthly premiums.

**The information below corresponds to the Marketplace Employer Coverage Tool. This will help ensure employees understand their coverage choices.**

**13. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next 3 months?**

- Yes** (Continue)

**14. Does the employer offer a health plan that meets the minimum value standard<sup>[2]</sup>?**

- Yes (Go to question 15)     No (STOP and return this form to employee)

**15. For the lowest-cost plan that meets the minimum value standard<sup>1</sup> offered only to the employee (don't include family plans): If the employer has wellness programs, provide the premium that the employee would pay if he/she received the maximum discount for any tobacco cessation programs, and didn't receive any other discounts based on wellness programs.**

- a. How much would the employee have to pay in premiums for this plan \$9.70
- b. How often?  Monthly

<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 (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986)

<sup>[2]</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 (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986)