



October 1 Deadline Approaching for Employers, Including Schools, to Issue "Notice of Coverage Options" to Employees

September 19, 2013

The Affordable Care Act (ACA) imposes on employers various new obligations that are to take effect over the next several years. Employers received some measure of relief with the surprise announcement of a one-year delay in the enforcement of the employer mandate until January 1, 2015. Other requirements under the ACA, however, continue to move forward.

Next up on the employer checklist is the "Notice of Coverage Options" (Notice). Most employers will be required to provide all employees with a Notice no later than October 1, 2013.

The Notice is designed to inform employees of the coverages available through new health care "marketplaces" (also known as "exchanges"). Several items must be included in the Notice, including information regarding the existence of the marketplaces, the employee's possible eligibility for premium tax credits through the marketplace, and the consequences of marketplace coverage on any employer contribution to health plans offered by the employer. The U.S. Department of Labor (DOL) has issued a model Notice that employers may use in preparing the Notice.

This new notice requirement applies to all employers that are subject to the Fair Labor Standards Act (generally, employers with more than one employee and that are engaged in interstate commerce). Most tax-exempt employers and governmental entities, *including schools*, are also subject to this notice requirement.

Employers are required to provide the Notice to all employees, regardless of whether the employee actually participates in the employer's group health plan. Further, the employer notice requirement also applies to employers that do not offer any health plans to employees. The Notice may be delivered by mail or electronically, if in accordance with DOL rules on electronic distribution.

By using the model Notice, employers should be able to quickly prepare a Notice to be distributed to employees. Employers that have questions regarding their obligations with respect to the Notice should contact their Hinshaw attorney.

For more information, please contact [Anthony E. Antognoli](#) or your regular [Hinshaw attorney](#).

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