



**OFFICE OF HUMAN CAPITAL
DEPARTMENT OF EMPLOYEE SERVICES**

160 S. Hollywood St. • Memphis, TN 38112 • (901) 416-5304 • Fax (901) 416-5469 •
www.scsk12.org

November 7, 2013

Dear Colleague:

The enclosed notice is required under the Affordable Care Act (ACA) – also known as Health Care Reform. The notice is designed to help you understand your available options from the new health insurance marketplaces (or “health exchanges”), which become effective January 1, 2014.

For 2014, the federal government will require nearly everyone to have medical coverage or pay a tax penalty. This is called the “individual mandate.”

Here is what you need to know:

- **If you are eligible for SCS health coverage:** We offer you medical options that are intended to meet the ACA’s requirements for affordable colleague coverage and benefit value. It also meets your personal requirement to have coverage. If you are eligible for our coverage, you can choose to get coverage through our plans or the public health insurance marketplace. However, because our plans meet ACA requirements, you and your dependents who are eligible for our plans generally will not qualify for a government subsidy to help pay for marketplace coverage.

You may have already received communication from the federal government about enrolling in benefits for 2014. Annual Enrollment for 2014 for the ACA is going on now.

- **If you are *not* eligible for our coverage:** In most cases, you will still have to have medical coverage or pay a tax penalty – and may want to explore coverage options through your spouse/partner or parent, the public health insurance marketplace in the state where you live, or through Medicaid or Medicare if you qualify. Depending on your household income, you and your eligible dependents may be eligible for a government subsidy to help you pay for coverage through the public health insurance marketplace.

Please note that as part of the ACA, some states are expanding eligibility for Medicaid. Beginning January 1, 2014, states can expand their Medicaid programs to cover most individuals and families earning less than 138% of the federal poverty level. In 2013, this amount is \$15,282 for an individual and \$20,682 for a couple. While you can enroll in the our plan even if you are Medicaid-eligible, you may want to review the information from the public health insurance marketplace to determine if your state is expanding eligibility for Medicaid and to review your options.

In the coming months, everyone will be hearing a lot about public exchanges (or health insurance marketplaces), government subsidies, and tax penalties for not having medical coverage. And, insurance companies will be sending marketing information directly to you. The online public health insurance marketplaces are scheduled to open in October 2013. You will be able to get information from the public health insurance marketplace about your plan options and the government subsidy.

For More Information

Read the enclosed legally required notice, *New Health Insurance Marketplace Coverage Options and Your Health Coverage*, and visit www.healthcare.gov to learn more.

For more information about our benefits, please contact 901.416.5344, or benefits@scsk12.org.



New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 11-30-2013)

PART A: General Information

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.

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.¹

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 the Benefits Department.

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

¹ 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.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name Shelby County Schools Board of Education		4. Employer Identification Number (EIN) 62-6000834	
5. Employer address 160 South Hollywood		6. Employer phone number 901-416-5300	
7. City Memphis	8. State TN	9. ZIP code 38112	
10. Who can we contact about employee health coverage at this job? Benefits Department			
11. Phone number (if different from above) 901-416-5344		12. Email address benefits@scsk12.org	

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

- As your employer, we offer a health plan to:

All employees.

Some employees. Eligible employees are:
All full-time permanent employees.

- With respect to dependents:

We do offer coverage. Eligible dependents are:
Outlined in the 2014 Shelby County Schools' Open Enrollment guide.

We do not offer coverage.

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 for those working more than 30 hours per week.

** Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the 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, HealthCare.gov will guide you through the process. Here's the employer information you'll enter when you visit HealthCare.gov to find out if you can get a tax credit to lower your monthly premiums.