September 18, 2013

MEMORANDUM

To: Contributing Employers and/or Participants in the Carpenters Health and Welfare Trust Fund for California

From: Gene H. Price
Administrator

RE: Employer ACA Support Samples and Information:

1) **Sample Required Notice to Employees of Coverage Option –** Safe Harbor Notice required to be sent to all employees, including those with or without health insurance.

2) **Sample Employer Cover Letter –** To be sent with Employer's required Notice to Employees of Coverage Options.

3) **Sample Insert –** For those employers who opt not to use a cover letter (item 1) may wish to use insert which indicates Carpenter Plan meets minimum value standard. Similar information will be required for other Plans provided by Employer.

4) **Employer Frequently Asked Questions (FAQs) –** Training information to be used by CFAO. This information is not intended to replace or superseded advice of an employer's legal counsel and employers are encouraged to seek technical advice from the Employer's professional advisors.

5) **Participant FAQs –** Training information to be used by CFAO**.**

PLEASE NOTE: As ACA requirements are communicated by the Government, the information contained in this packet may change or be modified. We recommend checking the Carpenter Fund's Website for its latest information. http://www.carpenterfunds.com/

SAMPLE REQUIRED EMPLOYER NOTICE: The following is provided as an example only and will require Employer's own information on page two:

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 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.[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 Pauline Hann at (510) 639-4301.

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.

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		4. Employer Identification Number (EIN)
5. Employer address:		6. Employer Phone Number
7. City	8. State	9. ZIP code
10. Who can we contact about employee health coverage at this job?		
11. Phone number (if different from above)	12. Email address	

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

- As your employer, we offer a health plan to:
  - ☐ All employees.
  - ☑ Your Employer offers a variety of Health Plans depending on an employee's classification:

    For those individuals employed under the terms of either a Collective Bargaining Agreement with the Northern California Carpenters Union, or who are reported to the Carpenters Health and Welfare Trust Fund for California under the terms of a Subscriber Agreement with the Carpenters Health and Welfare Trust Fund for California, eligible employees are:

    (1) **Plan A Participants** who satisfy the Fund's Plan A initial eligibility requirements of 400 hours within a consecutive 6 month period plus a lag month, and who continue to be credited with at least 100 hours per month;

    (2) **Plan B Participants** who satisfy the Fund's Plan B initial eligibility requirements of 280 hours within a consecutive 3 month period plus a lag month, and who continue to be credited with at least 100 hours per month;

    (3) **Plan R Participants** who work at least 110 hours for the month, including a lag month, and who continue to be credited with at least 100 hours per month; or

    (4) full-time, **Flat Rate Participants** scheduled to work at least 17.5 hours per week, for a Contributing Employer who has signed a Subscriber Agreement, starting with the first day of the fourth calendar month following the date of hire. ***(Note to Employers: Not all Employers have employees in each of the Carpenter Plans. Use only the information for those Plans your employees participate in. A similar note will be required for any other Plan you pay into on behalf of your employees.)***

- With respect to dependents:
  - ☑ We do offer coverage. Eligible dependents are: the Participant's lawful spouse or qualified Domestic Partner. The Participant's natural child, stepchild or legally adopted child, or a child of the Participant required to be covered under a Qualified Medical Child Support Order, who is younger than 26 years of age, whether married or unmarried. Adopted children are eligible under the Plan when they are placed for adoption. Adult children between the ages of 19 and 26 who are not offered another employer-sponsored health plan through his or her own employer, domestic partner's employer, or spouse's employer, are eligible for Plan years beginning prior to January 1, 2014. Adult children between the ages of 19 and 26 who have access to another employer sponsored health plan, whether elected or not, other than a group health plan of a parent of the child, are not eligible under this provision. (2) an unmarried child for whom the Participant has been appointed legal guardian, provided the child is younger than 19 years of age and is considered the Participant's dependent for federal income tax purposes; (3) an unmarried child of the Participant's qualified Domestic Partner, provided the child is younger than 19 years of age and is primarily dependent on the Participant for financial support; (4) an unmarried child eligible under paragraph (2) or (3) above other than age who is 19 but less than <23 years of age and a full time student at an accredited educational institution, provided the child otherwise meets the requirements of paragraph (2) or (3)above; (5) an unmarried child not eligible under paragraph (1) above by virtue of having been offered other coverage, who is 19 but less than 23 years of age and a full time student at an accredited educational institution and otherwise meets the requirements of paragraph (1) above; or (6) an unmarried child of the Participant (or the Participant's spouse or qualified Domestic Partner) of any age who is prevented from earning a living because of mental or physical handicap, provided the child was disabled and eligible as a Dependent under this Plan before reaching age 19, or the Limiting Age described in paragraph (4) or (5) above, and provided the child is primarily dependent on the Participant for financial support. This Plan will provide coverage for a child of a Participant if required by a Qualified Medical Child Support Order, including a National Medical Support Order. A Qualified Medical Child Support Order or National Medical Support Order will supersede any requirements in the Plan's definition of Dependent stated above.
  - ☐ 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.

** 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.• 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)

Sample Employer Cover Letter
Company Address
Company Address
Company Phone
Company Website

August 27, 2013

To: All COMPANY Employees

From: Company Contact
HR Department

Re: Notice to Employees of Coverage Options

Dear Employee and Family;

By October 1, 2013 every employer in the United States, with gross revenue greater than $500,000, is required to issue a letter to each of its employees about the Affordable Care Act (ACA) which is sometimes referred to as "Obamacare." Those letters will come under a heading of something like **"New Health Insurance Marketplace Coverage Options and Your Health Coverage."** Similar letters must also be provided to all future new hires.

The letters provide a summary of the health coverage offered by an employer and also give a brief overview of ACA and the Health Insurance Marketplaces. Notices will include information about shopping for coverage through your state's Health Insurance Marketplaces. (When ACA first passed, the Marketplaces were called Exchanges). The letters will also mention that you may be eligible for federal premium subsidies if you purchase coverage on the Marketplace, and that, if you do purchase a Marketplace plan, you may lose your employer contribution to the plan. **Please note:** This provision does not apply to multi-employer plans such as this Fund. When contributions to a Fund or Plan are set by a collective bargaining agreement, an employer's obligation to contribute for covered employees will not be reduced or redirected even though an employee obtains coverage through the Exchange/Marketplace.

(Note to Employer, not to be included in mailing: This sample addresses only Carpenter Benefits. If you have other employees covered under other plans, you should address those plans also.) **When you receive letters, remember that if you are an eligible participant in the Carpenters Health and Welfare Trust Fund for California, you do not need to shop for different or additional insurance. Also, because the Carpenter Plan is considered affordable and adequate as defined by ACA, you are not eligible for federal premium subsidies.** As long as you remain eligible for Carpenter benefits, as you receive employer letters in the future, you may file them with your other plan information.

The Affordable Care Act (ACA) requires the notices be sent out because, starting in January 2014, most people will be required to have health insurance; if they do not have insurance, they will have to pay a penalty. The portion of the ACA that requires individuals to have health insurance is known as the "individual mandate." To satisfy the individual mandate requirement, your health insurance coverage can come from your (or your spouse's) employment, through a policy you buy on your own, or through a government-sponsored program like Medicare or Medicaid.

As long as you remain eligible under the Carpenter Plan *(Employer see note above)* you do not need to take any action. Your coverage meets the individual mandate standard, and is a better value than Marketplace coverage.

Following is a brief comparison of how the Carpenter Plan ***(Employer see note above)*** measures up under ACA criteria for determining whether a plan's coverage is adequate and affordable for its covered members:

- **The Fund's coverage is adequate.** In general, ACA considers coverage to meet "minimum value" if the benefits provided cover at least 60% of eligible expenses. The Fund's medical plan exceeds the ACA minimum value standard.

- **The Fund's coverage is affordable.** In general, ACA considers coverage "affordable" if the premium cost for participant-only coverage is not more than 9.5% of wages. For example, if your wages from covered employment are $60,000, your coverage would be considered affordable if your participant-only coverage does not cost you more than $5,700 a year. Your share of the premium for participant-only coverage is $0 per year to the Carpenter Plan so benefits are considered affordable under the standards set through ACA.

Over the next few months, there will be significant talk about the Health Insurance Marketplace—from insurance companies, on the Internet, in social media, on TV, in newspapers, on the radio, and from your friends, neighbors and families. Also you will receive mail describing various plans' coverage, including your Carpenter Plan coverage.

REMEMBER: In spite of all the "noise" you will hear about the Health Insurance Marketplace, including invitations to consider purchasing Marketplace coverage, **the bottom line is that when you are eligible for the Fund's coverage, you satisfy the "you-must-have-coverage" requirement (the individual mandate). Also, your Carpenter Plan coverage is better than the plans offered through the Health Insurance Marketplace.**

If you have questions about the New Health Insurance Marketplace Coverage Options and Your Health Coverage Notice, the individual mandate or, Health Insurance Marketplaces the following websites may be of help:

California's Market Place: http://www.coveredca.com/

Federal Government Website: www.healthcare.gov.

Fund Office Website: www.carpenterfunds.com ***(Employer see note above)***

For employers who choose not to add something more lengthy, such as the sample letter provided, the following insert may be considered to off load some of the questions that may arise.

The health coverage provided by the Carpenters Health and Welfare Trust Fund for California meets the minimum value standard of the Affordable Care Act.

Since your employer makes contributions on your behalf to the Carpenters' Trust under the terms of a collective bargaining agreement it is unlikely that you will be eligible for premium assistance from a health care exchange when you are eligible for Trust coverage.

For more information about your eligibility for coverage and benefits through the Carpenters' Plan, please contact the Fund Office at (510) 633-0333, or toll free at (888) 547-2054.

The above information applies to benefits provided by the Carpenters Trust Fund only.

Employer FAQs regarding the Affordable Care Act
Carpenters Health and Welfare Trust Fund for California

1. What is the Affordable Care Act (ACA?)

The Patient Protection and Affordable Care Act (PPACA), commonly called Obamacare or the Affordable Care Act (ACA), is a United States federal statute signed into law by President Barack Obama on March 23, 2010.

The ACA aims to increase the quality and affordability of health insurance coverage for Americans, and reduce the costs of health care for individuals and the government. It provides a number of mechanisms—including mandates, subsidies, and insurance exchanges—to increase coverage and affordability. The law also requires insurance companies to cover all applicants within new minimum standards, no pre-existing conditions and coverage for dependents to age 26. Additional reforms aim to reduce costs and improve healthcare outcomes by shifting the system towards quality over quantity through increased competition, regulations, and incentives to streamline the delivery of health care.

2. I thought ACA has been delayed?

Only a portion of the entire law has been delayed. On July 10, 2013, the Internal Revenue Service postponed for one year (until 2015) a requirement for large employers to provide health insurance for employees, or if no insurance is provided to pay Shared Responsibility penalties. Certain employer reporting requirements under the Act were also postponed until 2015. This delay does not apply to any other provisions of the ACA, including the individual mandate.

3. What is the Employer Mandate? What do I have to do now?

The ACA imposes penalties upon some "large" employers which do not offer certain levels of health care coverage to "full-time" employees (and their dependent children up to age 26). The health benefits offered must provide Minimum Value and must offer coverage on terms which pass an Affordability Test. Large employers are determined under complicated rules, but, under current guidance, generally refer to employers with the equivalent of 50 or more full-time employees. The penalties under ACA should an employee of a large employer purchase subsidized coverage from an exchange are referred to as a large employer's "Shared Responsibility" penalty.

Note: see question on delay until 2015.

4. What is the Employee Mandate?

The Individual/Employee Mandate requires individuals to obtain minimum essential coverage or pay a personal income tax penalty: The 2014 penalty is the greater of $95/adult or 1% of taxable income, $325/per adult or 2% of taxable income in 2015, and $695/per adult or 2.5% of taxable income (whichever is higher) in 2016.

Individuals eligible under the Carpenter Plan, or other qualified coverage, will not face a penalty for the time they are eligible under the Plan.

5. Does this mean I have to provide two insurance policies?

No.

6. **Do I have to instruct my employees about their options?**

Yes. On or before October 1, 2013 all employers, with gross revenue greater than $500,000, must provide a notice to their employees informing them of the availability of obtaining health coverage through the Exchanges that are being set up under the ACA and the premium subsidies. In California, the exchange will be known as "Covered California". http://www.coveredca.com/

The Carpenters' Trust Fund Office will not be mailing this notice to your carpenter employees.

The required notice is to be mailed by all Employers to all employees including new hires.

A model notice can be found at:

- http://www.dol.gov/ebsa/healthreform/
- Model Notice for employers who offer a health plan to some or all employees | en español | MS Word Format
- Or directly: http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf

7. **Can an employer be fined for failing to provide employees with notice about the Affordable Care Act's new Health Insurance Marketplace?**

If your company is covered by the Fair Labor Standards Act, it should provide a written notice to its employees about the Health Insurance Marketplace by October 1, 2013. The DOL has informally remarked that they will not enforce a penalty for failing to provide the notice, but there may be other adverse consequences if an employer does not provide the Exchange Notice to its employees.

The notice should inform employees:

- About the Health Insurance Marketplace;
- That, depending on their income and what coverage may be offered by the employer, they may be able to get lower cost private insurance in the Marketplace; and
- That if they buy insurance through the Marketplace, they may lose the employer contribution (if any) to their health benefits

The U.S. Department of Labor has two model notices to help employers comply. There is one model for employers who do not offer a health plan and another model for employers who offer a health plan or some or all employees. The model notices are also available in Spanish and MS Word format at http://www.dol.gov/ebsa/healthreform/. Employers may use one of these models, as applicable, or a modified version. More compliance assistance information is available in a Technical Release issued by the US Department of Labor.

8. **I've heard the "Exchanges" will not be ready. What are "Exchanges" and when will they open?**

Exchanges or Marketplaces are a new way to shop for health insurance. Marketplaces are government regulated online health insurance stores set up by either the State or Federal Governments. People, who do not have other ACA approved coverage, will purchase individual/family policies that fit personal budgets and needs. Even though some exchanges are not ready today, all must be fully certified and operational by January 1, 2014, under current federal law (ACA).

It is expected that the California Exchange will be ready for enrollment beginning in October for January 2014 coverage for individuals and small employers. http://www.coveredca.com/

9. I don't know anything about ACA. Am I required to say anything to my employees?

Yes. On or before October 1, 2013 all employers must provide a notice to their employees informing them of the availability of obtaining health coverage through the Exchanges that are being set up under the ACA.

In California, the exchange will be known as "Covered California". http://www.coveredca.com/

10. Won't the Union's Health Plan deal with this for me?

The ACA regulations require the **employer** to send a notice to their employees regarding the exchanges (market places).

The notice is required on or before October 1, 2013.

11. Some of my employees have health insurance, does ACA apply to me?

Yes.

12. How much is ACA going to cost me?

See question on delay until 2015.

13. I have less than 50 employees, can I ignore ACA?

No.

14. I am my company's only employee. Do I have to have insurance too?

You are not required to provide company sponsored insurance, however, the employee mandate would apply.

15. What is "Shared Responsibility"?

In 2014, the Patient Protection and Affordable Care Act ("Act") will impose penalties upon some "large" employers which do not offer certain levels of health care coverage to "full-time" employees (and their dependent children up to age 26). The health benefits offered must provide Minimum Value and must offer coverage on terms which pass an Affordability Test. Large employers are determined under complicated rules, but generally refer to employers with the equivalent of 50 or more full-time employees. The penalties under the ACA should an employee of a large employer purchase subsidized coverage from an exchange are referred to as a large employer's "Shared Responsibility" penalty."

16. Is there a special rule for employers that participate in a multi-employer plan?

Yes, the Internal Revenue Service has issued a special transition rule which applies through 2014 for employers that participate in multi-employer plans with respect to the employees covered by that plan. In addition, the Internal Revenue Service is asking for further comments regarding how the Shared Responsibility requirement should apply to employers participating in multi-employer plans.

17. What is the Internal Revenue Service's special transition rule for employers that participate in multi-employer plans?

The special transition rule applies to an employer that is required by a collective bargaining agreement to make contributions, with respect to some or all of its employees, to a multi-employer plan that offers coverage, to individuals who satisfy the plan's eligibility conditions, coverage that is Affordable and provides Minimum Value, and that offers coverage to those individuals' dependent children up to age 26. Under this special transition rule for multi-employer plans, the contributing employer will not be treated, with respect to employees for whom the employer is required by the collective bargaining agreement to make contributions to the multi-employer plan, as failing to offer the opportunity to enroll in minimum essential coverage to full-time employees (and their dependents), and will not be subject to the applicable penalty.

18. Does the Carpenters Health and Welfare Plan for California provide Minimum Value?

At the current time, the Plan would be considered as providing Minimum Value. It is the intention of the Trust that the benefit plans which it offers as of January 1, 2014, will meet the Minimum Value test, but satisfaction of the tests will be subject to interpretation by the government agencies responsible to enforce them.

19. Will an employer that participates in the Carpenters Health and Welfare Plan for California pass the Affordability Test?

The Affordability Test is based on single coverage and how the employee's share of the premium or contribution for that coverage relates to his or her income. It is up to a covered employer to satisfy the Affordability Test. The Trust cannot make this determination. Published governmental guidance would suggest that an employer contributing to the Carpenters' Plan who does not require that its employees make any contribution to receive employee-only coverage, would satisfy the affordability test with respect to those employees. If "full-time" employees of an employer must contribute in order to obtain employee-only coverage, the employer will have to determine whether the Affordability Test is satisfied. A few safe harbor tests are provided in published guidance to assist an employer in making this determination. The Trust cautions that the rules concerning these requirements are detailed and, therefore, employers should seek independent advice concerning the rules and potential penalties.

20. What happens if an employee loses coverage because the employee does not have enough hours in his hour bank to maintain coverage?

Published governmental guidance would suggest that an employer contributing to the Carpenters' Plan pursuant to a collective bargaining agreement would not be subject to a penalty solely because one of the employers' employee loses coverage due to insufficient hours. The Trust cautions that the rules concerning these requirements are detailed and, therefore, employers should seek independent advice concerning the rules and potential penalties.

21. What happens if an employee who is covered by a collective bargaining agreement with the Northern California Carpenters does not work enough hours to become eligible?

Published governmental guidance would suggest that an employer contributing to the Carpenters' Plan pursuant to a collective bargaining agreement would not be subject to a penalty solely because some of the employers' employees do not work sufficient hours to gain eligibility. The Trust cautions that the rules concerning these requirements are detailed and, therefore, employers should seek independent advice concerning the rules and potential penalties.

22. I have heard about a Cadillac Tax. What is it and when do I have to start paying for that too?

Beginning in 2018, there is a 40% Excise Tax on health plans that cost above $10,200 (single) and $27,500 (family), indexed to CPI-U.

At today's costs, the tax would not apply to the Carpenters' Plan. If such a tax is required someday, the Plan will deal with the Excise Tax.

23. For those employees that I have that are not covered under a CBA or other Health Plan what is my obligation to them?

If you are a large employer (50 or more full-time equivalent employees), you could be subject to the employer penalty (starting in 2015) if you do not give your full-time employees (including your non-bargained employees) the opportunity to enroll in minimum essential coverage. This penalty would be triggered if one of your full-time employees goes to an Exchange and qualifies for subsidized coverage

24. How long do they have to enroll in the exchange?

The Exchanges will have an initial open enrollment period that would run from October 1, 2013 through March 31, 2014, with shorter annual enrollment periods (October 15 through December 7) in subsequent years.

25. If they miss that enrollment date what penalties apply to me?

The employer penalty is triggered if one (just one) of a large employer's full-time employees goes into an Exchange and qualifies for subsidized coverage.

26. If they miss that enrollment date what penalties apply to them?

Failure to have minimum essential coverage may result in Individual Shared Responsibility tax penalties (certain exceptions apply) as follows:

- In 2014, the greater of $95 per adult ($47.50 per dependent child to a maximum of $285 per family) or 1% of household income.
- In 2015, the greater of $325 per adult ($162.50 per dependent child to a maximum of $975 per family) or 2% of household income.
- In 2016, the greater of $695 per adult ($347.50 per dependent child to a maximum of $2,085 per family) or 2.5% of household income.

27. If they miss that enrollment date, when is the next time they can enroll?

They could enroll during any subsequent annual open enrollment period or special enrollment period as described above.

28. Is there a Government website where I can get more information for employers?

Yes, see: http://business.usa.gov/healthcare

Participant FAQs regarding the Affordable Care Act
Carpenters Health and Welfare Trust Fund for California

1. What is the Affordable Care Act (ACA?)

The Patient Protection and Affordable Care Act (PPACA), sometimes called "Obamacare" or the Affordable Care Act (ACA), is a federal statute signed into law by President Barack Obama on March 23, 2010.

The ACA aims to increase the quality and affordability of health insurance coverage for Americans, and reduce the costs of health care for individuals and the government. It provides a number of mechanisms—including mandates, subsidies, and insurance exchanges—to increase coverage and affordability. The law also requires insurance companies to cover all applicants within new minimum standards, no pre-existing conditions and coverage for dependents to age 26. Additional reforms aim to reduce costs and improve healthcare outcomes by shifting the system towards quality over quantity through increased competition, regulations, and incentives to streamline the delivery of healthcare.

2. I thought ACA has been delayed?

Only a portion of the entire law has been delayed. On July 10, 2013, the Internal Revenue Service postponed for one year (until 2015) a requirement for large employers to provide health insurance for employees, or if no insurance is provided to pay Shared Responsibility penalties. Certain employer reporting requirements under the Act were also postponed until 2015. This delay does not apply to any other provisions of the ACA, including the individual mandate.

3. What does the delay of the employer Shared Responsibility payments mean to me?

The ACA requires employers with more than 50 full time employees to provide health insurance or pay a "Shared Responsibility" assessment. Originally the employer mandate was to be effective at the same time the individual mandate is effective in January 2014, but the employer mandate has been delayed until 2015.

The delay will not affect your Carpenters' coverage. And, if (or when) you are not eligible for Carpenters' coverage, this delay does not postpone the requirement for you to have health insurance. When uninsured, individuals may consider and purchase coverage through Covered California (or the state exchange of your residency).

4. What is the "individual mandate"? If I don't have health coverage starting in 2014 will I have to pay a penalty to the government? If I'm covered under the Carpenters' Plan, do I have to pay the penalty?

The Individual/Employee Mandate requires individuals to obtain minimum essential coverage or pay a personal income tax penalty: the 2014 penalty is the greater of $95/adult or 1% of taxable income, $325/per adult or 2% of taxable income in 2015, and $695/per adult or 2.5% of taxable income (whichever is higher) in 2016.

Individuals eligible under the Carpenter Plan will not face a penalty for the time they are eligible under the Plan.

5. **I've been receiving letters from my employers about the public exchanges (e.g., Covered California). Why am I getting these notices? What do they mean to me and what do I need to do?**

On or before October 1, 2013 all employers, with gross revenue greater than $500,000, must provide a notice to their employees informing them of the availability of obtaining health coverage through the Marketplaces that are being set up under the ACA and the premium subsidies. The employer must give similar letters to all future hires.

California's Marketplace will be known as "Covered California" http://www.coveredca.com/.

When you receive employer letters, remember that if you are eligible for Carpenters Health and Welfare benefits, you are not required to shop for different or additional insurance. If you are eligible for Carpenter Benefits you may wish to file the notices with your other plan information.

6. **I've heard the "Exchanges" will not be ready. What are "Exchanges" and when will they open?**

Exchanges or Marketplaces are a new way to shop for health insurance. Marketplaces are government regulated online health insurance stores set up by either the State or Federal Governments. People, who do not have other ACA approved coverage, will purchase individual/family policies that fit personal budgets and needs. Even though some exchanges are not ready yet, all must be fully certified and operational by January 1, 2014, under current federal law (ACA).

It is expected that the California Exchange will be ready for enrollment beginning in October for January 2014 coverage **for individuals and small employers.** http://www.coveredca.com/

7. **Does my Carpenters' Plan provide Minimum Value?**

At the current time, the Plan is considered to be providing at least Minimum Value as defined by ACA. It is the intention of the Carpenters Health and Welfare Trust Fund to offer coverage as of January 1, 2014 that will continue to meet the Minimum Value test, but satisfaction of the tests will be subject to interpretation by the government agencies responsible to enforce them.

8. **Can I buy coverage from my state's health care Marketplace (e.g., Covered California)? If I do, will I get a subsidy to help me pay for coverage.**

If (or when) you are not eligible for Carpenters' coverage, you may purchase coverage through Covered California (or the state Marketplace of your residency) http://www.coveredca.com/.

If you meet certain household income rules, you might be eligible for a premium subsidy from the federal government. Remember that because the Carpenters' Plan is considered affordable and adequate as defined by ACA, you are not eligible for federal premium subsidies while you are eligible for Carpenter benefits.

9. What is the difference between the public marketplaces and the private exchanges I am hearing about?

Individuals eligible for a federal subsidy for health coverage will only receive that subsidy if they purchase insurance from a state Marketplace such as Covered California. Other private marketplaces will be open and selling insurance that does not qualify for a federal subsidy.

10. If I lose my Carpenter healthcare coverage can I continue my coverage under COBRA or do I have to go to my state's exchange for coverage?

Provided that you qualify, and meet the enrollment requirements of the Plan, you may continue to participate in the Carpenters' COBRA program. However, at this time, it is not clear if you would be eligible for a federal subsidy if you drop COBRA and obtained coverage through the exchange.

11. I have heard about a Cadillac Tax. If that tax was charged to the Carpenters' Trust would I be responsible to pay the tax?

Beginning in 2018, there is a 40% Excise Tax on health plans that cost above $10,200 (single) and $27,500 (family), indexed to CPI-U.

At today's costs, the tax would not apply to the Carpenters' Plan. If such a tax is required someday, the Plan will deal with the Excise Tax.

12. If I lose my Carpenter coverage in the future how long do I have to enroll in the exchange?

If you lose your Carpenter coverage (for example, due to termination of employment or a reduction in hours), you will have a 60-day special enrollment period to enroll in Marketplace coverage. Losing your employment-based coverage is one of the events that trigger a special enrollment opportunity. The Exchange rules outline a number of triggering events that allow people to enroll in (or switch) Exchange coverage during a "special enrollment period" outside the annual open enrollment period. Other triggering events include marriage, divorce, and the birth or adoption of a child.

13. What if I miss the enrollment window? When is the next time I can enroll? What penalties may I be charged?

If you miss the enrollment window you may have to wait for the next annual open enrollment period. For 2014 coverage, the open enrollment period runs from October 1, 2013 through March 31, 2014. Starting in 2014, the annual open enrollment period will run from October 15 through December 7 for coverage effective the next January 1.

The individual mandate requires individuals to have coverage in place or pay a penalty when they file their federal income tax return. The law includes a number of exemptions from the penalty. One of those exemptions applies if you have a coverage gap of less than three consecutive months.

14. Do I have to purchase insurance through the Marketplace? Could I buy directly from another source?

You are free to purchase coverage from any source. However, you need to make sure that the coverage you purchase is “minimum essential coverage” or you may have to pay tax penalties as outlined above. Many types of coverage will qualify as minimum essential coverage, including most job-based coverage (whether through your employment or a spouse’s), individual coverage purchased from the Marketplace, or Medicaid and Medicare.

15. If I lose my Carpenter coverage and have to purchase through the Marketplace what level of coverage do I have to purchase to replace my Carpenter Plan?

The Carpenter Plan includes benefits not available through the Marketplace such as adult dental, life, accidental death, and the hour bank. If you purchase medical and prescription drug coverage from the Marketplace, you would likely need to purchase a Gold plan in order to approximate the Carpenter medical plan. Most multiemployer plans provide coverage in the Gold (80%) to Platinum (90%) range and those will cost the most when purchased from the Marketplace. To buy adult dental coverage from the Marketplace, you might have to purchase a separate stand-alone dental plan.