

August 2013

All Companies Are Required to Provide Written Notice of Health Care Options to Employees

As a requirement of the new health care law, the “Affordable Care Act,” all employers must provide written notice of available health care coverage options to their employees by October 1, 2013, regardless of whether the company offers health care coverage. Newly hired employees must be notified in writing within 14 days of their date of hire after October 1. The notice may be distributed electronically.

While companies with 49 or fewer workers are not required to offer health care coverage, they are nevertheless required to provide the written notice as a means of making sure workers are aware of the option to purchase insurance through an exchange. Employers are not required to provide separate notice to dependents and other individuals eligible for coverage under a company plan who are not employees.

The written notice must inform the employee of the existence of the health care exchange marketplaces, including a description of the services provided by the exchanges, and how employees can contact the exchanges to request assistance. It must also explain that if the company plan’s share of the total allowed costs of benefits is less than 60% of total cost, the employee may be eligible for a tax credit if a plan is purchased through the exchange. Finally, the notice must state that if the employee purchases a qualified health plan through the exchange, the worker may lose their employer contribution to any health benefit plan offered by the employer.

To assist employers in providing this notice, the U.S. Department of Labor (DOL) released model notices for [employers that provide health plans](#) and for [those that do not offer a health plan](#). DOL also released a helpful [guidance document](#) further outlining employer responsibilities.

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