

To Kenai Peninsula Borough School District Employees:

There is a lot of talk about healthcare reform today, and you will be hearing much more in the coming months.

It is important to know that the Kenai Peninsula Borough School District will continue to offer health coverage to our eligible employees. This coverage is an important part of our total compensation package.

The Affordable Care Act (ACA) requires employers to provide the attached notice to all employees. The notice provides basic information about individual health insurance options that will be available through public (state or federal) exchanges (also called marketplaces).

The required notice also explains that some individuals may be eligible for federal subsidies to help pay for some of the cost of individual health insurance policies sold through a public exchange. The value of these subsidies will vary based on an individual's household income.

According to the ACA and IRS regulations, if an employee is eligible for an employer sponsored health plan, and that plan meets the government's definition of affordable, minimum value coverage, then the employee and any family members eligible for the employer plan are not eligible for the federal subsidies described in the attached notice, regardless of household income. The Kenai Peninsula Borough School District offers a plan that meets the ACA definition of minimum value to all full time employees.

Important Note for Employee's Who Are Eligible for our Employer Health Plan:

Is our plan "affordable" to you according to ACA rules?

The ACA defines "affordable" as a plan that requires an employee to contribute no more than 9.5% of their household income to participate in employee only coverage.

- Kenai Peninsula Borough School District offers a plan that requires a monthly contribution of **\$275.00** for employee only coverage.
- If your annual household income exceeds **\$34,161.49** this plan will be deemed affordable and you and any family members eligible for our plan will not be eligible for any federal subsidy if you choose to purchase individual health insurance coverage through the exchange. See household income definition below.

******If our company health plan is "affordable" based on your household income, you and any family members eligible for our plan will not be eligible for any federal subsidies if you choose to purchase individual health insurance through a public exchange.******

How do I determine my "Household Income"?

Your household income includes the income of you, your spouse, and any tax dependent required to file a tax return. Specifically, it is based on these individuals modified adjusted gross income. For most taxpayers, MAGI is the same as Adjusted Gross Income (AGI) found on Line 4 of a Form 1040EZ, or Line 37 of a Form 1040. You should consult with your tax advisor if you need assistance in determining you MAGI.

Important Note for Employees Who are Not Eligible for our Employer Health Plan

If you are not eligible for our employer plan (for example due to your part-time status), you may want to review the attached notice and explore individual health insurance options available to you through a public exchange. Since you are not eligible for an employer sponsored plan, you may qualify for the federal subsidies described in the notice. Remember, all Americans are required to have health insurance starting in 2014.

For more information on individual health plans available in your area go to www.healthcare.gov.



New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
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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 _____.

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		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.

Some employees. Eligible employees are:

- With respect to dependents:
We do offer coverage. Eligible dependents are:

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](https://www.healthcare.gov) will guide you through the process. Here's the employer information you'll enter when you visit [HealthCare.gov](https://www.healthcare.gov) to find out if you can get a tax credit to lower your monthly premiums.