
Pension and Benefits Office

September 4, 2013

RE: EXCHANGE NOTICE REQUIREMENT - AFFORDABLE CARE ACT - LOCAL CHURCHES MUST COMPLY.

Dear Pastor, Staff-Parish Relations Committee Chair, and Church Treasurer/Administrator:

Accompanying this letter, please find four documents related to the *Exchange Notice Requirement*- a new requirement under the Affordable Care Act (ACA) that may directly affect your local church and its employees. These documents will help you understand and comply with the Exchange Notice Requirement.

The Affordable Care Act requires all employers that are subject to federal wage and hour laws (the Fair Labor Standards Act, FLSA) to distribute a Notice (also accompanying this letter) to *all* full-time and part-time employees - whether or not they are covered in the employer's health plan. The Notice describes the new *Health Insurance Marketplaces* (often called "*Exchanges*") and how an employee can contact the Market place to purchase coverage. The Notice must also warn the employee of the loss of favorable tax treatment of his or her employer-sponsored health coverage, if any, if he or she purchases coverage through the Marketplace instead of through an employer-sponsored plan (if available.)

Please read this material carefully. **Employers including local churches must provide this notice to all employees NO LATER THAN OCTOBER 1, 2013.** The Notice may be mailed or e-mailed to all employees. (See enclosed **Health Care Reform for UMC Local Churches: Required Notice to all employees** for more details. For employees hired between October 1, 2013, and December 31, 2013, the Notice must be provided on the employee start date. For employees hired on or after January 1, 2014, the Notice must be provided within 14 days of hire.

Accompanying this letter are the following:

1. A Summary of the Notice Requirement to help you understand it (**Health Care Reform for UMC Local Churches: Required Notice to All Employees.**)
2. A copy of the template forms from the U.S. Department of Labor - *Choose the form that best suits your situation as an employer:*
 - a. The Form for an employer that provides health insurance coverage to some or all employees, (3 pages) or
 - b. The Form for an employer that does not provide any health coverage to employees
3. A guidelines summary to help you complete the template form (**Affordable Car Act Notice**)

Requirement Helpful Hints for Local Churches)

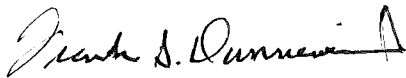
4. 3 Sample letters for your church to select from to notify the clergy and lay employees with the Notice (*Letter to Employees who are provided health coverage through the AWF Conference health plan, Letter to Employees who are provide other health coverage, Letter to employees who are not provided health coverage*)
5. Health Care Reform – Exchange Notice Requirement Frequently Asked Questions

It is important to understand that The Alabama-West Florida Conference requires local churches to cover full-time and 75% appointed clergy in the annual conference health plan. This rule remains in effect despite establishment of the Exchanges under the ACA. The annual conference will continue to bill the local church for that coverage in 2014. The annual conference's policy is in place to maintain equity in benefits and costs across many local churches' clergy in the conference. The conference is studying the impact of the ACA and Exchanges on its health coverage strategy for the future and will inform you if conference policies change as a result.

Please note: The annual conference is providing these materials as an informational and educational service to the local churches and other salary-paying units (employers). This information should not be read to imply that the annual conference is the employer of any employees receiving the notice from local churches or SPUs. The materials should not be construed as, and do not constitute, legal advice or other professional advice on any specific matter. The annual conference expressly disclaims all liability in respect to actions taken or not taken based on the contents of this update.

Please contact BeLinda Carnegie (belinda@awfumc.org) or Frank Dunnewind (frank@awfumc.org) at 888-873-3127 with questions. You can read more details about this requirement or the Affordable Care Act on the General Board of Pensions' web page at www.gbophb.org/health_welfare/healthcarereform/index.asp.

Sincerely,



Frank S. Dunnewind
Director of Administrative Services



August 1, 2013

UMC Local Churches—Required Notification to All Employees (per Affordable Care Act)

Local churches and other salary-paying units (SPUs) in The United Methodist Church (UMC), as employers, need to understand an important employee notice requirement (Notice) this year under the Patient Protection and Affordable Care Act (ACA), the national health care reform law. This summary is intended to help local churches and SPUs understand their responsibilities with respect to this Notice requirement.

Timing of Notice to Employees

Employers **must provide this Notice** to all current employees before **October 1, 2013 (regardless of whether you offer a health plan to your employees or not)**. This date is also the first day of open enrollment for the Health Insurance Marketplaces, also called “Exchanges” (for coverage to begin January 1, 2014). For employees hired between October 1, 2013, and December 31, 2013, the Notice must be provided on the employee start date. For employees hired on or after January 1, 2014, the Notice must be provided within 14 days of hire.

- **Affected Employers:** With very few exceptions¹, all employers, including tax-exempt employers and employers with fewer than 50 full-time equivalent employees, are required to provide this Notice. This means that even an employer that is not subject to the ACA’s Employer Shared Responsibility Rule must provide this Notice to all employees. *Local churches should assume the Notice requirement applies to them and should deliver the Notice to all employees, including appointed clergy.*
- **Applicable Employees:** The Notice must be provided to **all** active part-time employees and full-time employees regardless of whether the employer offers a health plan or whether the employees are covered under the employer’s health plan (if any). Employers are not required to provide a separate Notice to independent contractors, dependents or other individuals who are or may become eligible for coverage under the health plan but who are not employees.

Delivery of Notice

The Notice must be provided in writing and may be delivered through first-class mail, or through electronic delivery (e.g., via e-mail, assuming that the employee has consented to the electronic disclosure, or the employee’s access to the employer’s electronic information system is an integral part of the employee’s duties). **Note:** Posting the Notice in the employer’s website or an on-site bulletin board does *not* satisfy the requirement.

Content of Notice

The Notice must describe certain information [as outlined in two template Notice forms published by the U.S. Department of Labor (DOL)], including an explanation of the Marketplace, the impact of employer coverage, the tax implications if insurance is purchased in the Marketplace and Marketplace contact information.

¹ Only employers that are completely exempt from the Fair Labor Standards Act (FLSA, the federal wage and hour law) are exempt from this Notice requirement. The U.S. Department of Labor’s Wage and Hour Division has an Internet FLSA compliance assistance tool. See www.dol.gov/elaws/esa/flsa/scope/screen24.asp.

Format of Notice

To assist employers with providing this Notice, the DOL has released two template forms entitled *New Health Insurance Marketplace Coverage Options and Your Health Coverage*:

- **Notice for employers that offer a health plan to some or all of its employees:** available **here** or online at **www.dol.gov/ebsa/pdf/FLSAwithplans.pdf**.
 - An MS Word version is available **here** (**www.dol.gov/ebsa/FLSAwithplans.doc**).
 - A Spanish version is available **here** (**www.dol.gov/ebsa/pdf/FLSAwithplanssp.pdf**).
- **Notice for employers that *do not* offer a health plan:** available **here** or online at **www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf**.
 - An MS Word version is available **here** (**www.dol.gov/ebsa/FLSAwithoutplans.doc**).
 - A Spanish version is available **here** (**www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf**).

Local churches and SPUs should choose the template Notice most applicable to their circumstance; e.g., a church that offers coverage to the pastor through its annual conference, even if it does not offer coverage to lay employees, and even if the pastor declines coverage, should use the Notice for an employer who offers coverage to some employees. These templates are safe harbors for employers to use; however, employers can choose to modify the Notice if they wish.

Customizing the Notice

Employers will need to complete the template forms by adding certain information about the employer and its health plan, if any. The General Board of Pension and Health Benefits has created a **help sheet** for completing the template forms (available at **www.gbophb.org**, browse through **Health Care Reform**).

More About the ACA Marketplace and Other ACA Requirements

The Center for Health monitors the ACA and provides applicable information for annual conferences, local churches and other UMC employers, as well as information for individuals. However, your conference office should be your first point of contact for more detailed information about Notice requirements. We encourage you to check the Center for Health's **health care reform web page** frequently for general updates (**www.gbophb.org**, search under **Health Care Reform**).

Questions and Information

If you have questions or would like additional information, please send your inquiries to **healthcarereform@gbophb.org**. General information about health care reform is available from the federal government at **www.healthcare.gov**.

Disclaimer: These updates are provided by the General Board of Pension and Health Benefits as a general informational and educational service to its plan sponsors, the annual conferences, plan participants and friends across The United Methodist Church. The updates should not be construed as, and do not constitute, legal advice nor accounting, tax, or other professional advice or services on any specific matter; nor do these messages create an attorney-client relationship. Readers should consult with their counsel or other professional advisor before acting on any information contained in these documents. The General Board expressly disclaims all liability in respect to actions taken or not taken based on the contents of this update.



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 _____.

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.

The Alabama-West Florida Conference Health insurance plan meets the minimum value standard.

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 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.

The information below corresponds to the Marketplace Employer Coverage Tool. Completing this section is optional for employers, but will help ensure employees understand their coverage choices.

13. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next 3 months?

Yes (Continue)

13a. If the employee is not eligible today, including as a result of a waiting or probationary period, when is the employee eligible for coverage? _____ (mm/dd/yyyy) (Continue)

No (STOP and return this form to employee)

14. Does the employer offer a health plan that meets the minimum value standard*?

Yes (Go to question 15) No (STOP and return form to employee)

15. For the lowest-cost plan that meets the minimum value standard* offered **only to the employee** (don't include family plans): If the employer has wellness programs, provide the premium that the employee would pay if he/ she received the maximum discount for any tobacco cessation programs, and didn't receive any other discounts based on wellness programs.

a. How much would the employee have to pay in premiums for this plan? \$ N/A

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

If the plan year will end soon and you know that the health plans offered will change, go to question 16. If you don't know, STOP and return form to employee.

16. What change will the employer make for the new plan year? N/A

Employer won't offer health coverage

Employer will start offering health coverage to employees or change the premium for the lowest-cost plan available only to the employee that meets the minimum value standard.* (Premium should reflect the discount for wellness programs. See question 15.)

a. How much will the employee have to pay in premiums for that plan? \$

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

Date of change (mm/dd/yyyy):

* 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)



New Health Insurance Marketplace Coverage Options and Your Health Coverage

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

PART A: General Information

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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?

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 at this job?			
11. Phone number (if different from above)		12. Email address	

You are not eligible for health insurance coverage through this employer. You and your family may be able to obtain health coverage through the Marketplace, with a new kind of tax credit that lowers your monthly premiums and with assistance for out-of-pocket costs.



August 1, 2013

ACA Exchange Notice Requirement—Template Form Helpful Hints for Local Churches and SPUs

The following is a guide to assist local churches and other salary-paying units (SPUs) in The United Methodist Church with providing the required Exchange Notice under the Affordable Care Act (ACA) to their employees. This Notice describes the new Health Insurance Marketplaces (previously called “Exchanges”). The Department of Labor (DOL) has released two template forms for employers to rely upon in fulfilling this requirement:

- **Notice for employers that offer a health plan to some or all of its employees:** available [here](#) or online at www.dol.gov/ebsa/pdf/FLSAwithplans.pdf.
 - An MS Word version is available [here \(www.dol.gov/ebsa/FLSAwithplans.doc\)](http://www.dol.gov/ebsa/FLSAwithplans.doc).
 - A Spanish version is available [here \(www.dol.gov/ebsa/pdf/FLSAwithplanssp.pdf\)](http://www.dol.gov/ebsa/pdf/FLSAwithplanssp.pdf).
- **Notice for employers that *do not* offer a health plan:** available [here](#) or online at www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf.
 - An MS Word version is available [here \(www.dol.gov/ebsa/FLSAwithoutplans.doc\)](http://www.dol.gov/ebsa/FLSAwithoutplans.doc).
 - A Spanish version is available [here \(www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf\)](http://www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf).

Churches that provide coverage to clergy and not lay employees should use the form for employers that offer coverage to some employees. Employers that offer coverage must use the “Notice for employers that offer a health plan” (linked above)—even if all employees decline that coverage. Employers should modify the template with certain information as described below regarding the employer and, if applicable, its health plan.

Completing the Notice Template Form—Employers *Not Offering* Health Coverage

Part B: Information About Health Coverage Offered by Your Employer

- Box 3: Enter the full name of the local church or other SPU.
- Box 4: Enter the employer identification number (EIN) or taxpayer identification number (TIN) of the local church/SPU. If the local church shares an EIN or TIN with another employer, such as a day care center, the local church may need to coordinate distribution of this Notice with that affiliated employer.
- Box 5: Enter the street address of the local church/SPU.
- Box 6: Enter the main telephone number of the local church/SPU.
- Boxes 7, 8, 9: Enter the city, state and ZIP code of the local church/SPU.
- Box 10: Enter the name of the officer or employee at the local church/SPU whom the Health Insurance Marketplace (the “Exchange”) should contact with questions. (For local churches that may not have anyone readily available to address benefits questions, enter the name of the conference benefits office personnel member.)
- Box 11: Enter the telephone number (the direct line) for the person or position named in question 10.
- Box 12: Enter the e-mail address for the person or position named in question 10.

Completing the Notice Template Form—Employers *Offering* Health Coverage to Some Employees (including clergypersons under appointment)

Part B: Information About Health Coverage Offered by Your Employer

- Boxes 3-12: Follow the instructions in part I. above.

Completing the section after question 12:

- Answer the questions about the health plan offered by the local church/SPU. For example, indicate which employees are eligible for the plan. This may include only the appointed clergyperson or may also include lay employees. It also may include only full-time or some part-time employees.
- Indicate whether or not the plan offers coverage to dependents of the eligible employees. If coverage is offered to dependents, describe eligible dependents (i.e., spouse, children) in the space provided.
- *Last box on the page 2:* Check this box if the health plan offered meets the “minimum value” requirement under the ACA. This means that the plan is expected to cover at least 60% of the cost of claims (in other words, the plan has a 60% actuarial value).
 - If your church or SPU offers coverage through an annual conference plan that is part of HealthFlex, you can check the box indicating the plan provides minimum value.
 - If your church or SPU offers coverage through an annual conference plan (other than HealthFlex), it most likely does satisfy minimum value. However, you should confirm minimum value with your annual conference office.
 - If your church or SPU offers coverage through an insurance company, you should check with the issuer about minimum value.

Questions 13 through 16 are optional. The local church is not required to complete them before giving the Notice to employees. The Notice does not need to be customized to each employee. However questions 13-16 correspond to questions that employees must answer in their application for coverage through the Marketplace. Therefore, completing questions 13-16 on this Notice may help your employees understand and obtain coverage through the Marketplace where applicable. Suggested answers are below:

- 13: Indicate whether the employee is currently eligible for the local church’s/SPU’s health plan, or whether a waiting period applies.
- 14: Indicate whether the plan provides minimum value (see above for more about minimum value).
- 15: Indicate the premium that the employee has to pay for coverage (this is the portion of the underlying premium paid to the annual conference or insurance company that the employee himself or herself is responsible for paying), and the applicable frequency (monthly, weekly, etc.) that the premium is paid.
- 16: If the local church/SPU intends to cease offering coverage soon or will make changes to the plan or the premiums soon, indicate so here.

More About the ACA Marketplace and Other ACA Requirements

The Center for Health monitors the ACA reform and provides applicable information for annual conferences, local churches and other UMC employers, as well as information for individuals employed through The United Methodist Church. However, your conference office should be your first point of contact for more detailed information about Notice requirements. We encourage you to check the Center for Health’s **health care reform web page** at www.gbophb.org/health_welfare/healthcarereform/index.asp frequently for general updates.

Questions and Information

If you have questions or would like additional information, please send your inquiries to healthcarereform@gbophb.org. General information about health care reform is available from the federal government at www.healthcare.gov.

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**Sample letter for Employees who are provided with health
insurance coverage through the AWF Conference**

Dear [Employee Name]:

As your day-to-day employer we are required to send you a Notice about the **New Health Insurance Marketplace Coverage Options and Your Health Care Coverage**. The enclosed Notice from the U.S. Department of Labor is meant to inform you about new health insurance options offered as a provision of the Affordable Care Act (ACA is the federal health care reform legislation). The ACA directs everyone to seek health insurance coverage by January 1, 2014. To assist in this process a network of insurance programs has been created called the Health Insurance Marketplace. Open enrollment in the Marketplace begins October 1, 2013.

[Church Name] United Methodist Church provides you insurance through the Conference Health Insurance Program. You will continue to be covered in this way.

You have received this letter because as your employer we are required to provide the Notice about the **New Health Insurance Marketplace Coverage Options and Your Health Care Coverage** to all employees.

Please read the enclosed Notice carefully. The information is important to know.

For more information about health care changes made with the implementation of the ACA, please visit www.healthcare.gov. You may also want to visit the General Board of Pension and Health Benefits website at http://www.gbophb.org/health_welfare/healthcarereform/index.asp.

Thank you for your time and attention to this matter. In

In Christ's Service,

[Name] SPRC Chair

**Sample letter for Employees who are provided health insurance
coverage through another provider**

Dear [Employee Name]:

As your day-to-day employer we are required to send you a Notice about the **New Health Insurance Marketplace Coverage Options and Your Health Care Coverage**. The enclosed Notice from the U.S. Department of Labor is meant to inform you about new health insurance options offered as a provision of the Affordable Care Act (ACA is the federal health care reform legislation). The ACA directs everyone to seek health insurance coverage by January 1, 2014. To assist in this process a network of insurance programs has been created called the Health Insurance Marketplace. Open enrollment in the Marketplace begins October 1, 2013.

[Church Name] United Methodist Church provides you insurance through the _____ Insurance Program. You will continue to be covered in this way.

You have received this letter because as your employer we are required to provide the Notice about the **New Health Insurance Marketplace Coverage Options and Your Health Care Coverage** to all employees.

Please read the enclosed Notice carefully. The information is important to know.

For more information about health care changes made with the implementation of the ACA, please visit www.healthcare.gov. You may also want to visit the General Board of Pension and Health Benefits website at http://www.gbophb.org/health_welfare/healthcarereform/index.asp.

Thank you for your time and attention to this matter. In

In Christ's Service,

[Name] SPRC Chair

**Sample Letter for Clergy and Lay Employees who are not
provided health insurance coverage**

Dear [Employee Name]:

As your day-to-day employer we are required to send you a Notice about the **New Health Insurance Marketplace Coverage Options and Your Health Care Coverage**. The enclosed Notice from the U.S. Department of Labor is meant to inform you about new health insurance options offered as a provision of the Affordable Care Act (ACA is the federal health care reform legislation). The ACA directs everyone to seek health insurance coverage by January 1, 2014. To assist in this process a network of insurance programs has been created called the Health Insurance Marketplace. Open enrollment in the Marketplace begins October 1, 2013.

Because [Church Name] United Methodist Church does not provide you with health insurance coverage you may choose to purchase insurance through the Health Insurance Marketplace. If you choose to seek coverage in the Marketplace you will need the enclosed Notice. It contains information that you will be asked by those assisting you.

It is important for you to know the following:

- Some people may be able to take advantage of a new "**Premium Tax Credit**" that will assist in covering the cost health insurance. This tax credit is based on income. You may find more information at www.healthcare.gov under "Individuals & Families."
- **Open enrollment for the Health Insurance Marketplace begins October 1, 2013.**

For assistance in evaluating your health care coverage needs, including your eligibility for coverage through the Marketplace and its cost, please visit www.healthcare.gov. You may also want to visit the General Board of Pension and Health Benefits website at http://www.gbophb.org/health_welfare/healthcarereform/index.asp.

Please read the enclosed Notice carefully. The information is important to know.

Thank you for your time and attention to this matter.

In Christ's Service,

[Name]
SPRC Chair



September 3, 2013

Health Care Reform—Exchange Notice Requirement Frequently Asked Questions

On May 8, 2013, the Department of Labor (DOL) released **Technical Release No. 2013-02**, which provides guidance about the Notice that nearly all employers nationwide must provide to their employees no later than October 1, 2013, under the Patient Protection and Affordable Care Act (PPACA or ACA). The Notice describes the health insurance that will be available through Health Insurance Marketplaces established by the ACA, known also as “exchanges.” The DOL guidance includes template Notices for employers to use. A printer-friendly version of the DOL’s Exchange Notice guidance is provided [Attachment 5.1](#)

*Annual conferences, general agencies, most local churches and other United Methodist Church (UMC) employers (salary-paying units) must comply with this Notice requirement no later than **October 1, 2013**. This also is the beginning date for open enrollment for the ACA’s Marketplaces, i.e., the date individuals may begin choosing to enroll in federal or state health care exchanges.*

You can read general descriptions of how the Notice requirements affect UMC employers, [Attachments 5.2 & 5.3](#). The following frequently asked questions (FAQs) clarify this Notice requirement, as it applies to local churches and other UMC employers. Additional helpful hints about the Notice requirement are provided, [Attachments 5.4 & 5.5](#)

Q: What if our state has not yet established an “exchange” or Marketplace as recommended under the ACA? Does the Notice requirement apply to us and our employees?

A: Yes, this provision of the ACA applies to nearly all employers in *all states and the District of Columbia*. This is true even in states that will not have a state-established Marketplace. Those states will have a federally-facilitated exchange (a Marketplace run by the U.S. Department of Health and Human Services) in place of a state exchange.

Q: Can the Exchange Notice be mailed in the same envelope as other required notices to save on our mailing costs? (For example, can the Exchange Notice be mailed with the Medicare Part D Notice of Creditable Coverage since they are both required to mail around the same date?)

A: There does not appear to be anything that prohibits mailing the Exchange Notice with other required notices, such as the Medicare Part D notice or HIPAA privacy notices. It seems that the Exchange Notice could be printed together with another notice, e.g., on the back side of a page. In fact, the regulations indicate that employers can customize the Exchange Notice to some extent.

However, the ACA Exchange Notice is a requirement under the Fair Labor Standards Act (FLSA) and applies to *employers* directly and *all* their full-time and part-time employees, regardless of whether the employer offers health coverage or whether the employee is in the health plan. In contrast, the Medicare and HIPAA notices apply to employers’ *health plans* and generally only the *employees covered in a health plan*. While an employer could include the Exchange Notice with the Medicare or HIPAA notice to employees covered in its plan (most likely, only full-time employees and only employees who have enrolled in the plan), the employer would still have to

send the Exchange Notice separately to non-covered employees, such as new employees on a waiting period, part-time employees, full-time employees who are not enrolled in the employer-sponsored plan and seasonal employees.

Q: What if some of the clergy and lay employees in our ministry have coverage through the Indian Health Service, Medicaid, TRICARE or a spouse's plan? Do we need to provide them an Exchange Notice?

A: Yes, you should provide the Exchange Notice to these employees. The Notice is a requirement under the FLSA related to their employment status, not related to where they have health coverage. However, these employees (like others covered in various health plans) may have coverage that suits them well, and the Exchange Notice may seem unnecessary. Nonetheless, they should receive the Exchange Notice just like any other employee.

Q: Is the annual conference supposed to provide the Exchange Notice to bishops?

A: No. The General Council on Finance and Administration (GCFA) is the responsible party for sending the Notice to bishops.

Q: Are we required to provide the Exchange Notice to volunteers?

A: No. You do not have to provide the Exchange Notice to volunteers. Volunteers, as long as they are not paid, are not employees, and their work is not subject to the FLSA.

Q: Our local church employs tutors (high school and college-aged) for an after-school program; do we need to provide the Exchange Notice to these individuals?

A: Yes, you need to provide these employees with the Notice. Any common-law "W-2" employee—no matter how few hours, or whether seasonal or temporary—should receive the Notice if he or she is employed when the employer distributes the Notice (on or before October 1). These are the types of employees (i.e., those unlikely to be offered employer health coverage) for whom the Marketplaces may provide the greatest benefit. Keep in mind that the Exchange Notice requirement is an ongoing duty of the employer for all new hires after October 1, 2013.

Q: Are we required to provide the Exchange Notice to independent contractors whom we provide a Form 1099 rather than a Form W-2?

A: No. You do not have to provide the Exchange Notice to independent contractors. If there is any doubt, the most prudent course is to provide the Notice.

Q: Do we need to send the Exchange Notice to our summer seasonal camp staff that may have just finished (terminated) or will soon be done working for this year (and possibly forever)?

A: In most cases, no. You are only required to distribute the Exchange Notice to *current employees as of the date you send it*. If the seasonal employees have finished working by the date you distribute the Notice, then you do not need to provide a Notice to them.

However, if the seasonal employees are working on the date you distribute the Notice to other employees, then you should provide a Notice to them also.

Q: Do we need to send the Exchange Notice to employees who terminated employment earlier this year?

A: No. You are not required to provide a Notice to any employee terminated earlier this year.

Q: What about early retirees (pre-Medicare, pre-age 65)?

A: In most cases, no. Retired employees are not generally subject to the FLSA. As such, you do not need to provide them an Exchange Notice—unless they are actively working (e.g., retired but rehired). This is true even if early retirees are covered in your employer health plan or conference plan as a retiree. If they are neither actively employed nor receiving wages, then the Notice requirement does not apply.

However, it may be the case that you think the Health Insurance Marketplace offers a more affordable option for these retired employees, (for example, if the retiree coverage through your employer plan is costly). You can provide these formerly retired employees with information about the Marketplace if you wish (e.g., some of the information from the Exchange Notice). The information on the first page of the template Notices from the DOL may be useful in this case.

Further, Medicare-eligible retirees of any age should *not* be provided the Notice—because they are covered in Medicare, they are not eligible for coverage through the Marketplaces. The same would be true for pre-65 individuals who are Medicare-eligible because of a disability.

Q: What about active employees who are eligible for Medicare?

A: Active employees who are Medicare-eligible should be provided an Exchange Notice just like all other current employees. Although their Medicare eligibility would preclude them from benefiting from the Marketplace, they are active employees to whom the Notice requirement applies.

Q: Does the conference have to provide the Exchange Notice to clergy on medical leave (formerly “incapacity leave”) or long-term disability through the Comprehensive Protection Plan (CPP)?

A: No. Generally you should not have to provide the Exchange Notice to clergy on CPP disability or medical leave. These individuals are not actively working and not subject to the Notice requirement. However, as in the case of pre-Medicare retirees described above, clergy on CPP disability or medical leave (or other leaves of absence) may benefit from information about the Marketplaces. For example, if the church or conference requires a clergy on CPP disability to pay the full cost for coverage under the conference or employer plan, then the Marketplace may provide more affordable options for these individuals and their families. Some of the information on the first page of the Exchange Notice may be useful to these individuals.

Q: Is the conference required to provide the Exchange Notice to local pastors without a current appointment?

A: No. The conference should not need to provide the Exchange Notice to local pastors without an appointment. These individuals are not in an employment relationship under the FLSA with the conference or a local church.

Q: Some churches are required to cover appointed clergy in the annual conference plan, but they cover their lay employees in a different plan (e.g., a small group market plan).

- Does our church need to prepare different versions of the Exchange Notice for the two groups of covered employees?
- What if the plans differ; for example, what if the conference plan for clergy offers coverage to dependents and the plan for lay employees does not offer dependent coverage?

A: It may be possible for the church to fit a narrative description of these coverage differences and who is eligible for each plan in the space designated on the DOL’s template Notices. This would allow a church to use one version of the Notice for all employees (i.e., both plan audiences and anyone not covered in the plans). However, this could be confusing to employees. The purpose of the Notice is to clearly make employees aware of their coverage options and the potential consequences of their choices.

The church may instead create two different versions of the Exchange Notice: one for employees covered in or who could be eligible for the outside insured plan (i.e., the lay employees covered and not covered), and one for those in the annual conference plan (i.e., the clergy, covered and not covered). The information about who is covered in each plan as described in each Notice would differ, as would the premiums charged and other “affordability” questions that are contained in the Notice (and are to be completed by the church or employer). There could also be different answers about whether the plan covers “minimum value.”

The clearer the information on the Notices can be, the better. As such, employers with different plans or eligibility rules for clergy and lay workers would be advised to consider the employee audience when deciding whether to use one version of the Notice or multiple versions.

Q: Is the annual conference required to send out the Exchange Notice to all appointed clergy serving at local churches?

A: In most cases, no. The responsibility for distributing the Exchange Notice under the FLSA falls upon the *salary-paying employer*, which is usually the *W-2* issuer. In most cases, the salary-paying unit is the local church. Given how the FLSA applies, it will be up to each local church (or other salary-paying unit) to distribute the Notice to the clergy serving that church and to its lay employees.

Unlike the ACA’s summaries of benefits and coverage or HIPAA notice, it is not the responsibility of the health plan, its insurer or its administrator (e.g., the agency or conference board) to provide this Exchange Notice. However, annual conferences will need to distribute the Exchange Notice to their own *W-2* employees (including any *W-2* clergy serving the conference directly).

Local churches and other UMC employers may benefit from Exchange Notice toolkits created by the General Board of Pension and Health Benefits (General Board). Toolkit materials are posted on the General Board’s **health care reform page**.

Q: Are all churches required to distribute this Notice? I have read that there is a \$500,000 in annual revenue requirement for the Fair Labor Standards Act (FLSA) to apply to an organization, so some churches might be exempt from the FLSA.

A: Yes, essentially all churches are required to distribute the Exchange Notice. There may be some very small local churches to which the FLSA does not apply, even through its application to individual employees, as explained below—but those will be very rare. All employers subject to the FLSA must provide the Exchange Notice to all employees. This requirement applies to churches and church-related employers. The Supreme Court has said “[T]he [FLSA] contains no express or implied exception for commercial activities conducted by religious or other nonprofit organizations, and the agency charged with its enforcement [the DOL] has consistently interpreted the statute to reach such businesses.” So, there is no express exemption or exception for churches and church employers.

In general, the FLSA applies to employers that employ one or more employees who are engaged in, or produce goods for, interstate commerce. The DOL’s Wage and Hour Division has an Internet compliance assistance tool to help employers determine whether they are subject to the FLSA.

See www.dol.gov/elaws/esa/flsa/scope/screen24.asp.

An organization can be subject to the FLSA in either of two ways:

1. **Enterprise Coverage:** the organization itself is engaged in interstate commerce, or
2. **Individual Coverage:** any one of its employees is engaged in interstate commerce.

Generally, a threshold of \$500,000 in dollar volume of business applies to Enterprise Coverage. Some churches will be subject to the FLSA through Enterprise Coverage. To illustrate, Enterprise Coverage can apply to a local church that brings in more than \$500,000 a year in activities that compete with for-profit business, such as rental income from leasing property or operation of a school, day-care center or after-school program.

Individual Coverage depends on the nature of an employee’s work. An employee is covered on an individual basis if he or she performs any work constituting engagement in interstate or foreign commerce. Individual Coverage can be triggered if a substantial portion of an employee’s work involves using the U.S. mail, telephones or Internet. Determining whether Individual Coverage applies is very fact-specific, but application is broad. Some examples of employees subject to Individual Coverage include:

- An employee who uses a telephone, fax machine, the U.S. mail or a computer e-mail system to communicate with persons in another state.
- An employee who drives or flies to another state.
- An employee who unloads goods which came from an out-of-state supplier.
- An employee who uses an electronic device which authorizes a credit card purchase.

As a result of this broad application of the FLSA through Individual Coverage, most local churches are subject in some manner to the Exchange Notice requirement.

Disclaimer: These updates are provided by the General Board of Pension and Health Benefits as a general informational and educational service to its plan sponsors, the annual conferences, plan participants and friends across The United Methodist Church. The updates should not be construed as, and do not constitute, legal advice nor accounting, tax, or other professional advice or services on any specific matter; nor do these messages create an attorney-client relationship. Readers should consult with their counsel or other professional advisor before acting on any information contained in these documents. The General Board expressly disclaims all liability in respect to actions taken or not taken based on the contents of this update.

U.S. Department of Labor

Employee Benefits Security Administration
Washington, D.C. 20210**TECHNICAL RELEASE 2013-02**

DATE: MAY 8, 2013

SUBJECT: GUIDANCE ON THE NOTICE TO EMPLOYEES OF COVERAGE OPTIONS UNDER FAIR LABOR STANDARDS ACT § 18B AND UPDATED MODEL ELECTION NOTICE UNDER THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

I. INTRODUCTION

Many provisions of the Patient Protection and Affordable Care Act (Affordable Care Act) that become effective beginning in 2014 are designed to expand access to affordable health coverage. These include provisions for coverage to be offered through a Health Insurance Marketplace (Marketplace), premium tax credits to assist individuals in purchasing such coverage, employer notice to employees of coverage options available through the Marketplace, and other related provisions. The Departments of Labor, Health and Human Services (HHS), and the Treasury are working together to develop coordinated regulations and other administrative guidance to assist stakeholders with implementation of the Affordable Care Act.

Beginning January 1, 2014, individuals and employees of small businesses will have access to affordable coverage through a new competitive private health insurance market – the Health Insurance Marketplace. The Marketplace offers “one-stop shopping” to find and compare private health insurance options. Open enrollment for health insurance coverage through the Marketplace begins October 1, 2013. Section 1512 of the Affordable Care Act creates a new Fair Labor Standards Act (FLSA) section 18B requiring a notice to employees of coverage options available through the Marketplace.¹

This Technical Release provides temporary guidance regarding the notice requirement under FLSA section 18B and announces the availability of the Model Notice to Employees of Coverage Options. This Technical Release also provides an updated model election notice for group health plans for purposes of the continuation coverage provisions under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) to include additional information regarding health coverage alternatives offered through the Marketplace.

¹ The Secretary of Labor has delegated responsibility for FLSA section 18B rulemaking to the Employee Benefits Security Administration (EBSA) within the Department of Labor. See Q2 in ACA Implementation FAQ Part V, available at: <http://www.dol.gov/ebsa/faqs/faq-aca5.html>.

II. BACKGROUND ON THE NOTICE TO INFORM EMPLOYEES OF COVERAGE OPTIONS UNDER THE FLSA

Section 18B of the FLSA, as added by section 1512 of the Affordable Care Act, generally provides that, in accordance with regulations promulgated by the Secretary of Labor, an applicable employer must provide each employee at the time of hiring (or with respect to current employees, not later than March 1, 2013), a written notice:

1. Informing the employee of the existence of the Marketplace (referred to in the statute as the Exchange) including a description of the services provided by the Marketplace, and the manner in which the employee may contact the Marketplace to request assistance;
2. If the employer plan's share of the total allowed costs of benefits provided under the plan is less than 60 percent of such costs, that the employee may be eligible for a premium tax credit under section 36B of the Internal Revenue Code (the Code) if the employee purchases a qualified health plan through the Marketplace; and
3. If the employee purchases a qualified health plan through the Marketplace, the employee may lose the employer contribution (if any) to any health benefits plan offered by the employer and that all or a portion of such contribution may be excludable from income for Federal income tax purposes.

On January 24, 2013, the Department of Labor (the Department) issued guidance stating the Department's conclusion that the notice requirement under FLSA section 18B will not take effect on March 1, 2013 for several reasons.² The Department explained that this notice should be coordinated with HHS's educational efforts and Internal Revenue Service (IRS) guidance on minimum value. The guidance also stated the Department's commitment to a smooth implementation process including providing employers with sufficient time to comply and select an applicability date that ensures that employees receive the information at a meaningful time. The guidance further stated that the Department expects the timing for distribution of notices will be the late summer or fall of 2013, which will coordinate with the open enrollment period for the Marketplace.

The Department is issuing this temporary guidance and model notice in advance of the expected timeframe announced in the guidance because, since the issuance of the guidance, the Department has received several requests from employers for a model notice on an earlier timeframe so that they may be able to inform their employees now about the upcoming coverage options through the Marketplace. Therefore, employers are permitted to use the model notice and/or rely on this temporary guidance prior to the applicability date stated below³ to inform their employees earlier.

² See FAQs about Affordable Care Act Implementation Part XI Question 1 available at <http://www.dol.gov/ebsa/faqs/faq-aca11.html>.

³ See section III.D of this notice.

III. GUIDANCE FOR THE NOTICE TO INFORM EMPLOYEES OF COVERAGE OPTIONS UNDER THE FLSA

This section provides temporary guidance on what the Department will consider as compliance with FLSA section 18B, and this guidance will remain in effect until the Department promulgates regulations or other guidance. Future regulations or other guidance on these issues will provide adequate time to comply with any additional or modified requirements.

A. EMPLOYERS SUBJECT TO THE NOTICE REQUIREMENT

The FLSA section 18B requirement to provide a notice to employees of coverage options applies to employers to which the FLSA applies. In general, the FLSA applies to employers that employ one or more employees who are engaged in, or produce goods for, interstate commerce. For most firms, a test of not less than \$500,000 in annual dollar volume of business applies.⁴ The FLSA also specifically covers the following entities: hospitals; institutions primarily engaged in the care of the sick, the aged, mentally ill, or disabled who reside on the premises; schools for children who are mentally or physically disabled or gifted; preschools, elementary and secondary schools, and institutions of higher education; and federal, state and local government agencies.⁵

The Department's Wage and Hour Division provides guidance relating to the applicability of the FLSA in general including an internet compliance assistance tool to determine applicability of the FLSA. See <http://www.dol.gov/elaws/esa/flsa/scope/screen24.asp>.

B. PROVIDING NOTICE TO EMPLOYEES

Employers must provide a notice of coverage options to each employee, regardless of plan enrollment status (if applicable) or of part-time or full-time status. Employers are not required to provide a separate notice to dependents or other individuals who are or may become eligible for coverage under the plan but who are not employees.

C. FORM AND CONTENT OF THE NOTICE

Pursuant to the statute, the notice to inform employees of coverage options must include information regarding the existence of a new Marketplace as well as contact information and description of the services provided by a Marketplace. The notice must also inform the employee that the employee may be eligible for a premium tax credit under section 36B of the Code if the employee purchases a qualified health plan through the Marketplace; and a statement informing the employee that if the employee purchases a qualified health plan through the Marketplace, the employee may lose the employer contribution (if any) to any health benefits plan offered by the employer and that all or a

⁴ See <http://www.dol.gov/compliance/guide/minwage.htm>.

⁵ *Id.*

portion of such contribution may be excludable from income for Federal income tax purposes.

D. TIMING AND DELIVERY OF NOTICE

Employers are required to provide the notice to each new employee at the time of hiring beginning October 1, 2013. For 2014, the Department will consider a notice to be provided at the time of hiring if the notice is provided within 14 days of an employee's start date.

With respect to employees who are current employees before October 1, 2013, employers are required to provide the notice not later than October 1, 2013. The notice is required to be provided automatically, free of charge.

The notice must be provided in writing in a manner calculated to be understood by the average employee. It may be provided by first-class mail. Alternatively, it may be provided electronically if the requirements of the Department of Labor's electronic disclosure safe harbor at 29 CFR 2520.104b-1(c) are met.

E. MODEL NOTICE

To satisfy the content requirements for FLSA section 18B, model language is available on the Department's website: <http://www.dol.gov/ebsa/healthreform/>. 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. Employers may use one of these models, as applicable, or a modified version, provided the notice meets the content requirements described above.

F. PAPERWORK REDUCTION ACT STATEMENT

The notice specified by this guidance is a collection of information approved under OMB Control Number 1210-0149, which currently is scheduled to expire on November 30, 2013. The Department notes that a federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. § 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. § 3512. A covered employer's response to this collection is mandatory. See 29 U.S.C. § 218b. Each individual response is estimated to take less than 15 seconds, as an employer may send a copy of the same notice to each affected employee. Send comments about this information collection, including suggestions for reducing its burden, to G. Christopher Cosby, Department of Labor, Employee Benefits Security Administration, Office of Policy and Research, 200 Constitution Ave, NW, N-5718, Washington, DC 20210 (cosby.chris@dol.gov). Do not send a copy of the notice to this address.

IV. BACKGROUND AND GUIDANCE FOR THE MODEL COBRA ELECTION NOTICE

In general, under COBRA, an individual who was covered by a group health plan on the day before a qualifying event occurred may be able to elect COBRA continuation coverage upon a qualifying event (such as termination of employment or reduction in hours that causes loss of coverage under the plan).⁶ Individuals with such a right are called qualified beneficiaries. A group health plan must provide qualified beneficiaries with an election notice, which describes their rights to continuation coverage and how to make an election. The election notice must be provided to the qualified beneficiaries within 14 days after the plan administrator receives the notice of a qualifying event.

The election notice is required to include:

- The name of the plan and the name, address, and telephone number of the plan's COBRA administrator;
- Identification of the qualifying event;
- Identification of the qualified beneficiaries (by name or by status);
- An explanation of the qualified beneficiaries' right to elect continuation coverage;
- The date coverage will terminate (or has terminated) if continuation coverage is not elected;
- How to elect continuation coverage;
- What will happen if continuation coverage isn't elected or is waived;
- What continuation coverage is available, for how long, and (if it is for less than 36 months), how it can be extended for disability or second qualifying events;
- How continuation coverage might terminate early;
- Premium payment requirements, including due dates and grace periods;
- A statement of the importance of keeping the plan administrator informed of the addresses of qualified beneficiaries; and
- A statement that the election notice does not fully describe COBRA or the plan and that more information is available from the plan administrator and in the plan's summary plan description (SPD).

Some qualified beneficiaries may want to consider and compare health coverage alternatives to COBRA continuation coverage that are available through the Marketplace. Qualified beneficiaries may also be eligible for a premium tax credit (a tax credit to help pay for some or all of the cost of coverage in plans offered through the Marketplace).

The Department of Labor has a model election notice that plans may use to satisfy the requirement to provide the election notice under COBRA. This notice is being revised to help make qualified beneficiaries aware of other coverage options available in the

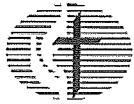
⁶ For more information on COBRA continuation coverage requirements applicable to group health plans, see "An Employer's Guide to Group Health Continuation Coverage Under COBRA," available at: <http://www.dol.gov/ebsa/publications/cobraemployer.html>.

Marketplace. As with the earlier model, in order to use this model election notice properly, the plan administrator must complete it by filling in the blanks with the appropriate plan information. Use of the model election notice, appropriately completed, will be considered by the Department of Labor to be good faith compliance with the election notice content requirements of COBRA.

The model election notice is available in modifiable, electronic form on the Department's website at: <http://www.dol.gov/ebsa/cobra.html>. A clean copy is available, as is a redline from the prior model notice to help interested stakeholders identify the changes.

V. FOR FURTHER INFORMATION CONTACT

Amy Turner or Elizabeth Schumacher, Employee Benefits Security Administration, Department of Labor, at 202-693-8335. Additional information for employers regarding the Affordable Care Act is available at www.healthcare.gov and www.dol.gov/ebsa/healthreform.



May 21, 2013

Health Care Reform—Required Exchange Notice to Employees

On May 8, 2013, the Department of Labor (DOL) released published **Technical Release No. 2013-02**, guidance about the notice (Notice) that most employers nationwide must provide to their employees no later than **October 1, 2013**, under the Patient Protection and Affordable Care Act (PPACA or ACA). The Notice describes the health insurance that will be available through health care marketplaces established by the ACA, known as “Exchanges.” The DOL guidance includes model (template) Notices for employers to use. A printer-friendly version of the DOL’s Exchange Notice guidance is provided **here**.

*Annual conferences, general agencies, many local churches and most other United Methodist employers (salary-paying units) must comply with this Notice requirement no later than **October 1, 2013**.*

October 1, 2013 also is the beginning date for open enrollment for the ACA’s Exchanges, i.e., the date individuals may choose to enroll in federal or state health care exchanges.

Some small local churches may be exempt from the requirement to provide the Exchange notice to their employees, based on certain factors (see “*Applicability to Churches and other UMC Employers*” on page 3). However, most employers nationwide are required to provide the Notice.

Model Notices (Templates) for Employers to Use

DOL has created model notices that employers can use to meet the Exchange Notice requirement:

- **Model Notice for employers that offer a health plan to some or all employees**
- **Model Notice for employers that do not offer a health plan to any employees**

Notice Timing and Delivery

Under the ACA, employers must notify *all employees* about the new health care exchanges (now being called “Marketplaces.”) This notification requirement applies whether or not employees are covered in the employer’s health plan (if any), and whether they are full-time or part-time employees.

Employers must provide the Notice to all *current* employees no later than October 1, 2013. For employees hired after October 1, 2013, employers must provide the Notice to new employees *within 14 days* of an employee’s start date. Employers are *not required* to provide a separate Notice to dependents or other individuals who are or may become eligible for coverage under the health plan but who are not employees.

How Employees May Be Notified

DOL offers flexibility in how employers may notify their employees about the Exchanges (“Marketplaces”). Employers can choose any of three notification methods:

1. Employers may hand-deliver the Notice to each employee.
2. Employers may mail the notice via first-class U.S. Mail to each employee.
3. Employers may deliver the notice electronically to each employee, but must satisfy DOL’s safe harbor requirements below.

Please note: *Merely posting a disclosure Notice on the employer's website so it is available to employees will not by itself satisfy this disclosure requirement.* E-mailing the Notice directly to each employee is the safest way to assure compliance with the safe harbor guidelines for electronic distribution.

The DOL's electronic delivery safe harbor is undergoing review and may become more flexible in the future.

Electronic safe harbor: The Exchange Notice may be provided electronically if the requirements of the DOL's electronic disclosure safe harbor described in labor regulations (29 CFR 2520.104b-1(c)) are satisfied. Generally, this safe harbor allows disclosure through electronic media to employees:

- Who have the ability to effectively access documents furnished in electronic form at any location where the employee is reasonably expected to perform duties; or
- For whom access to the employer's electronic information system is an integral part of those duties.

Please note: Employers relying on the electronic safe harbor must ensure that the system for furnishing documents *results in actual receipt by the employee* and must inform the employee of his or her right to request a hardcopy paper version of the Notice.

For Employers: Content and Template Notices

The Notice must be provided in writing in a manner calculated to be understood by the average employee. Using the DOL-provide Model Notice (template) will help assure that the employer's Notice complies with the understandability rule for most employees.

Church employers that offer health coverage (through an annual conference plan or otherwise) may use the **template form** Notice for employers with a health plan. The Notice should be customized with demographic information about the employer (employer name, address, EIN, and contact person) and certain information about the employer's health plan, such as whether it provides **minimum value** (i.e., covers 60% of total benefits) and is considered **affordable** (i.e., costs the employee less than 9.5% of his or her household income). These last two facts can determine whether an employee is eligible for premium tax credits (PTCs) for Exchange coverage. The Notice also identifies any waiting periods, the cost of coverage, and any changes in coverage that the employer intends to make for the coming plan year. Employers have some discretion to modify the Notice to meet their needs.

Similarly, employers who do not offer health coverage can use a different **template form** Notice to inform employees about the Exchanges and their potential eligibility for PTCs.

Should an employer decide to create its own Notice rather than using the DOL-provided templates, the employer's Notice must inform employees of the following:

- The existence of the Exchange (Marketplace), the services it offers, and how employees can contact the Exchange for assistance;
- If the employer's health plan (if any) fails to meet the minimum value requirement (i.e., the share of total allowed costs of benefits provided by the plan is less than 60% of total costs), the employee may be eligible for a premium tax credit (federal assistance toward purchasing coverage through an Exchange for lower and moderate income families);
- If the employee obtains coverage through the Exchange, the employee will lose the employer's contribution toward health benefits (if any) and the corresponding tax-favored treatment of that employer contribution.

For Individuals: The Exchanges Under ACA

ACA's underlying objective is to assure universal health care coverage for all citizens (i.e., the "individual mandate"). ACA supports this objective by:

- Expanding health care coverage access to previously uninsured Americans, and
- Making health care coverage options affordable to most Americans.

The Exchanges (health insurance Marketplaces) and premium tax credit are fundamental to this objective.

Exchanges:

- *What:* Exchanges are new competitive, regulated health insurance Marketplaces that offer access to affordable health insurance coverage. The Exchanges offer "one-stop shopping" to help individuals find and compare private individual health insurance options, called qualified health plans (QHPs).
- *Who:* Individuals without employer-provided health coverage or other government coverage (for example, Medicare) are eligible to enroll in QHPs through the Exchanges. Additionally, individuals who have been offered employer-provided coverage from a large business or a small employer (including, for example, local churches, church-affiliated employers, general agencies and annual conferences) but for whom the offered coverage is not "affordable" ("affordable" means the coverage costs the employee less than 9.5% of his or her household income) may be eligible to purchase insurance through an Exchange.
- *When:*
 - Coverage through the Exchanges begins **January 1, 2014**.
 - Open enrollment for the exchanges begins **October 1, 2013**. For the first year of the Exchanges, the open enrollment period will be October 1, 2013 through February 28, 2014. Thereafter, the Exchanges must provide an annual open enrollment period from October 15 through December 7. Individuals would be able to enroll outside of this annual opportunity only if they qualify for special enrollment under certain circumstances, such as loss of other coverage, marriage, birth, becoming eligible for a PTC, or becoming a citizen or legal resident.

Every state will have an Exchange. In states that do not maintain their own Exchanges, eligible individuals can access the federally-facilitated Exchange.

Premium Tax Credit:

- Certain individuals purchasing QHP coverage through an Exchange, i.e., those whose household income is between 100% and 400% of federal poverty level (FPL) (approximately \$48,000 for an individual or \$98,000 for a family of four in 2014), will receive premium tax credits from the government to make the QHP coverage more affordable. For more details about individual mandate, premium tax credits and health coverage for dependents, click [here](#).

Applicability to Churches and other UMC Employers

All employers subject to the Fair Labor Standards Act (FLSA) must provide the Exchange Notice to employees—including churches and church-related employers. The Supreme Court has said "[T]he [FLSA] contains no express or implied exception for commercial activities conducted by religious or other nonprofit organizations, and the agency charged with its enforcement has consistently interpreted the statute to reach such businesses."

In general, the FLSA applies to employers that employ one or more employees who are engaged in, or produce goods for, interstate commerce. The DOL's Wage and Hour Division provides guidance relating to the applicability of the FLSA in general and has an internet compliance assistance tool to help employers determine the applicability of the FLSA. *See* www.dol.gov/elaws/esa/flsa/scope/screen24.asp.

An organization can be subject to the FLSA in either of two ways:

1. **Individual Coverage:** any one of its employees is engaged in interstate commerce; or
2. **Enterprise Coverage:** the organization itself is engaged in interstate commerce.

DOL's **Technical Release 2013-2** can be viewed as suggesting that either type of FLSA coverage will trigger the ACA Notice requirement. This suggests that *almost every organization will be required to provide Exchange Notices to employees, including most churches*. Generally, a threshold of \$500,000 in dollar volume of business applies to Enterprise Coverage. Individual Coverage can be triggered if a substantial portion of an employee's work involves using the U.S. mail, telephones or possibly the internet. Determining whether Individual coverage applies is very fact-specific.

To illustrate, Enterprise Coverage can apply to a local church that brings in more than \$500,000 a year in activities that compete with for-profit business, such as rental income from leasing, or operation of a school, day-care center or after school program. Individual Coverage can apply to church employees who are regularly doing activities that can be construed as interstate commerce, such as telephoning, mailing, or traveling out of state. The "ministerial exception" to federal employment laws may mean that clergy are not subject to Individual Coverage under the FLSA. This may mean that for very small churches where the pastor is the only employee, the church could be exempt from the FLSA. But in many cases even small local churches will have one or more employees who are covered under Individual Coverage.

Consequences of Failure to Deliver the Exchange Notice

It is unclear what the consequences are for failure to deliver the Notice. However, an employer failing to deliver the Notice would be violating the FLSA and the ACA, and may be subject to investigation and penalties. Employees complaining about not receiving the Notice (or reporting the violation) would have employment protections under the ACA.

United Methodist Considerations

The Exchange Notice requirement will be applicable to most employers in the denomination. Many local churches (unless completely exempt from the FLSA), general agencies, other United Methodist employers, and the annual conferences as employers with respect to their own employees will be required to send this Notice to employees by October 1. Annual conferences may need to help smaller local churches interpret and comply with this requirement. In many cases, the Notice will have to be customized by each employer required to distribute it with information about the employer and its health plan, if any.

The Notice will provide part-time employees and many non-covered lay employees across the Connection with valuable information about new coverage options under the ACA beginning in 2014.

COBRA Election Notice

Group health plans have long been required to give participants and beneficiaries who lose coverage because of certain qualifying events notice of their eligibility for continuation coverage under COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985). Technical Release No. 2013-02 also amends the required COBRA Notice to inform beneficiaries that coverage through the Exchange is an alternative to COBRA that may often be more affordable, and that COBRA beneficiaries may also be eligible for PTCs. The model election notice is available in modifiable, electronic form on the Department's website at www.dol.gov/ebsa/cobra.html.

Church health plans are generally exempt from COBRA [unless the plan has elected to become subject to the Employee Retirement Income Security Act of 1974 (ERISA)]. However, most church plans offer some type of continuation coverage, either under state law if fully-insured or as a matter of plan design if self-insured. DOL's added language about the Exchanges in the model COBRA Notices might be something that plan sponsors of church health plans consider adding to the notices they send to employees and dependents who lose coverage describing the plan's continuation coverage (offered in accordance with state law or otherwise) options, as the Exchanges may be a more affordable option for former participants.

More About Exchanges and Other ACA Requirements

The General Board continues to monitor federal health care reform and provide applicable information for annual conferences, local churches and other UMC employers, as well as information for individuals. We encourage you to check the General Board's **health care reform web page** frequently for updates.

Questions and Information

If you have questions or would like additional information, please send your inquiries to **healthcarereform@gbophb.org**. General information about health care reform is available from the federal government at **www.healthcare.gov**.

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August 1, 2013

UMC Local Churches—Required Notification to All Employees (per Affordable Care Act)

Local churches and other salary-paying units (SPUs) in The United Methodist Church (UMC), as employers, need to understand an important employee notice requirement (Notice) this year under the Patient Protection and Affordable Care Act (ACA), the national health care reform law. This summary is intended to help local churches and SPUs understand their responsibilities with respect to this Notice requirement.

Timing of Notice to Employees

Employers **must provide this Notice** to all current employees before **October 1, 2013 (regardless of whether you offer a health plan to your employees or not)**. This date is also the first day of open enrollment for the Health Insurance Marketplaces, also called “Exchanges” (for coverage to begin January 1, 2014). For employees hired between October 1, 2013, and December 31, 2013, the Notice must be provided on the employee start date. For employees hired on or after January 1, 2014, the Notice must be provided within 14 days of hire.

- ***Affected Employers:*** With very few exceptions¹, all employers, including tax-exempt employers and employers with fewer than 50 full-time equivalent employees, are required to provide this Notice. This means that even an employer that is not subject to the ACA’s Employer Shared Responsibility Rule must provide this Notice to all employees. *Local churches should assume the Notice requirement applies to them and should deliver the Notice to all employees, including appointed clergy.*
- ***Applicable Employees:*** The Notice must be provided to **all** active part-time employees and full-time employees regardless of whether the employer offers a health plan or whether the employees are covered under the employer’s health plan (if any). Employers are not required to provide a separate Notice to independent contractors, dependents or other individuals who are or may become eligible for coverage under the health plan but who are not employees.

Delivery of Notice

The Notice must be provided in writing and may be delivered through first-class mail, or through electronic delivery (e.g., via e-mail, assuming that the employee has consented to the electronic disclosure, or the employee’s access to the employer’s electronic information system is an integral part of the employee’s duties). **Note:** Posting the Notice in the employer’s website or an on-site bulletin board does *not* satisfy the requirement.

Content of Notice

The Notice must describe certain information [as outlined in two template Notice forms published by the U.S. Department of Labor (DOL)], including an explanation of the Marketplace, the impact of employer coverage, the tax implications if insurance is purchased in the Marketplace and Marketplace contact information.

¹ Only employers that are completely exempt from the Fair Labor Standards Act (FLSA, the federal wage and hour law) are exempt from this Notice requirement. The U.S. Department of Labor’s Wage and Hour Division has an Internet FLSA compliance assistance tool. See www.dol.gov/elaws/esa/flsa/scope/screen24.asp.

Format of Notice

To assist employers with providing this Notice, the DOL has released two template forms entitled *New Health Insurance Marketplace Coverage Options and Your Health Coverage*:

- **Notice for employers that offer a health plan to some or all of its employees:** available **here** or online at **www.dol.gov/ebsa/pdf/FLSAwithplans.pdf**.
 - An MS Word version is available **here** (**www.dol.gov/ebsa/FLSAwithplans.doc**).
 - A Spanish version is available **here** (**www.dol.gov/ebsa/pdf/FLSAwithplanssp.pdf**).
- **Notice for employers that do not offer a health plan:** available **here** or online at **www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf**.
 - An MS Word version is available **here** (**www.dol.gov/ebsa/FLSAwithoutplans.doc**).
 - A Spanish version is available **here** (**www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf**).

Local churches and SPUs should choose the template Notice most applicable to their circumstance; e.g., a church that offers coverage to the pastor through its annual conference, even if it does not offer coverage to lay employees, and even if the pastor declines coverage, should use the Notice for an employer who offers coverage to some employees. These templates are safe harbors for employers to use; however, employers can choose to modify the Notice if they wish.

Customizing the Notice

Employers will need to complete the template forms by adding certain information about the employer and its health plan, if any. The General Board of Pension and Health Benefits has created a **help sheet** for completing the template forms (available at **www.gbophb.org**, browse through **Health Care Reform**).

More About the ACA Marketplace and Other ACA Requirements

The Center for Health monitors the ACA and provides applicable information for annual conferences, local churches and other UMC employers, as well as information for individuals. However, your conference office should be your first point of contact for more detailed information about Notice requirements. We encourage you to check the Center for Health's **health care reform web page** frequently for general updates (**www.gbophb.org**, search under **Health Care Reform**).

Questions and Information

If you have questions or would like additional information, please send your inquiries to **healthcarereform@gbophb.org**. General information about health care reform is available from the federal government at **www.healthcare.gov**.

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August 1, 2013

ACA Exchange Notice Requirement—Template Form Helpful Hints for Local Churches and SPUs

The following is a guide to assist local churches and other salary-paying units (SPUs) in The United Methodist Church with providing the required Exchange Notice under the Affordable Care Act (ACA) to their employees. This Notice describes the new Health Insurance Marketplaces (previously called “Exchanges”). The Department of Labor (DOL) has released two template forms for employers to rely upon in fulfilling this requirement:

- **Notice for employers that offer a health plan to some or all of its employees:** available [here](#) or online at www.dol.gov/ebsa/pdf/FLSAwithplans.pdf.
 - An MS Word version is available [here](http://www.dol.gov/ebsa/FLSAwithplans.doc) (www.dol.gov/ebsa/FLSAwithplans.doc).
 - A Spanish version is available [here](http://www.dol.gov/ebsa/pdf/FLSAwithplanssp.pdf) (www.dol.gov/ebsa/pdf/FLSAwithplanssp.pdf).
- **Notice for employers that *do not* offer a health plan:** available [here](#) or online at www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf.
 - An MS Word version is available [here](http://www.dol.gov/ebsa/FLSAwithoutplans.doc) (www.dol.gov/ebsa/FLSAwithoutplans.doc).
 - A Spanish version is available [here](http://www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf) (www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf).

Churches that provide coverage to clergy and not lay employees should use the form for employers that offer coverage to some employees. Employers that offer coverage must use the “Notice for employers that offer a health plan” (linked above)—even if all employees decline that coverage. Employers should modify the template with certain information as described below regarding the employer and, if applicable, its health plan.

Completing the Notice Template Form—Employers *Not Offering* Health Coverage

Part B: Information About Health Coverage Offered by Your Employer

- Box 3: Enter the full name of the local church or other SPU.
- Box 4: Enter the employer identification number (EIN) or taxpayer identification number (TIN) of the local church/SPU. If the local church shares an EIN or TIN with another employer, such as a day care center, the local church may need to coordinate distribution of this Notice with that affiliated employer.
- Box 5: Enter the street address of the local church/SPU.
- Box 6: Enter the main telephone number of the local church/SPU.
- Boxes 7, 8, 9: Enter the city, state and ZIP code of the local church/SPU.
- Box 10: Enter the name of the officer or employee at the local church/SPU whom the Health Insurance Marketplace (the “Exchange”) should contact with questions. (For local churches that may not have anyone readily available to address benefits questions, enter the name of the conference benefits office personnel member.)
- Box 11: Enter the telephone number (the direct line) for the person or position named in question 10.
- Box 12: Enter the e-mail address for the person or position named in question 10.

Completing the Notice Template Form—Employers *Offering* Health Coverage to Some Employees (including clergypersons under appointment)

Part B: Information About Health Coverage Offered by Your Employer

- Boxes 3-12: Follow the instructions in part I. above.

Completing the section after question 12:

- Answer the questions about the health plan offered by the local church/SPU. For example, indicate which employees are eligible for the plan. This may include only the appointed clergyperson or may also include lay employees. It also may include only full-time or some part-time employees.
- Indicate whether or not the plan offers coverage to dependents of the eligible employees. If coverage is offered to dependents, describe eligible dependents (i.e., spouse, children) in the space provided.
- *Last box on the page 2:* Check this box if the health plan offered meets the “minimum value” requirement under the ACA. This means that the plan is expected to cover at least 60% of the cost of claims (in other words, the plan has a 60% actuarial value).
 - If your church or SPU offers coverage through an annual conference plan that is part of HealthFlex, you can check the box indicating the plan provides minimum value.
 - If your church or SPU offers coverage through an annual conference plan (other than HealthFlex), it most likely does satisfy minimum value. However, you should confirm minimum value with your annual conference office.
 - If your church or SPU offers coverage through an insurance company, you should check with the issuer about minimum value.

Questions 13 through 16 are optional. The local church is not required to complete them before giving the Notice to employees. The Notice does not need to be customized to each employee. However questions 13-16 correspond to questions that employees must answer in their application for coverage through the Marketplace. Therefore, completing questions 13-16 on this Notice may help your employees understand and obtain coverage through the Marketplace where applicable. Suggested answers are below:

- 13: Indicate whether the employee is currently eligible for the local church’s/SPU’s health plan, or whether a waiting period applies.
- 14: Indicate whether the plan provides minimum value (see above for more about minimum value).
- 15: Indicate the premium that the employee has to pay for coverage (this is the portion of the underlying premium paid to the annual conference or insurance company that the employee himself or herself is responsible for paying), and the applicable frequency (monthly, weekly, etc.) that the premium is paid.
- 16: If the local church/SPU intends to cease offering coverage soon or will make changes to the plan or the premiums soon, indicate so here.

More About the ACA Marketplace and Other ACA Requirements

The Center for Health monitors the ACA reform and provides applicable information for annual conferences, local churches and other UMC employers, as well as information for individuals employed through The United Methodist Church. However, your conference office should be your first point of contact for more detailed information about Notice requirements. We encourage you to check the Center for Health’s **health care reform web page** at www.gbophb.org/health_welfare/healthcarereform/index.asp frequently for general updates.

Questions and Information

If you have questions or would like additional information, please send your inquiries to healthcarereform@gbophb.org. General information about health care reform is available from the federal government at www.healthcare.gov.

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August 7, 2013

ACA Exchange Notice Requirement—Template Form Helpful Hints for UMC Employers

The following is a guide to assist employers within The United Methodist Church (UMC) with providing the required Exchange Notice under the Affordable Care Act (ACA) to their employees. This Notice describes the new Health Insurance Marketplaces (previously called “Exchanges”). The Department of Labor (DOL) has released two template forms for employers to rely upon in fulfilling this requirement:

- **Notice for employers that offer a health plan to some or all of its employees:** available [here](#) or online at www.dol.gov/ebsa/pdf/FLSAwithplans.pdf.
 - An MS Word version is available [here](http://www.dol.gov/ebsa/FLSAwithplans.doc) (www.dol.gov/ebsa/FLSAwithplans.doc).
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- **Notice for employers that *do not* offer a health plan:** available [here](#) or online at www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf.
 - An MS Word version is available [here](http://www.dol.gov/ebsa/FLSAwithoutplans.doc) (www.dol.gov/ebsa/FLSAwithoutplans.doc).
 - A Spanish version is available [here](http://www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf) (www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf).

UMC employers that offer health coverage to any employee must use the “Notice for employers that offer a health plan” (linked above)—even if all employees decline that coverage. Employers should modify the template with certain information as described below regarding the employer and, if applicable, its health plan.

Completing the Notice Template Form—Employers *Not Offering* Health Coverage

Part B: Information About Health Coverage Offered by Your Employer

- Box 3: Enter the full legal name of the employer.
- Box 4: Enter the employer identification number (EIN) or taxpayer identification number (TIN) of the employer. If the employer shares an EIN or TIN with another employer, both employers may need to coordinate distribution of this Notice.
- Box 5: Enter the street address of the employer.
- Box 6: Enter the main telephone number of the employer.
- Boxes 7, 8, 9: Enter the city, state and ZIP code of the employer.
- Box 10: Enter the name of the employer’s officer or employee whom the Health Insurance Marketplace (the “Exchange”) should contact with questions. (For example, this may be an employee in the human resources, benefits or finance departments.)
- Box 11: Enter the telephone number (the direct line) for the person or position named in question 10.
- Box 12: Enter the e-mail address for the person or position named in question 10.

Completing the Notice Template Form—Employers *Offering* Health Coverage to Some Employees (including clergypersons under appointment)

Part B: Information About Health Coverage Offered by Your Employer

- Boxes 3-12: Follow the instructions in part I. above.

Completing the section after question 12:

- Answer the questions about the health plan offered by the employer. For example, indicate which employees are eligible for the plan. This may include only the full-time employees or some part-time employees.
- Indicate whether or not the plan offers coverage to dependents of the eligible employees. If coverage is offered to dependents, describe eligible dependents (i.e., spouse, children) in the space provided.
- *Last box on the page 2:* Check this box if the health plan offered meets the “minimum value” requirement under the ACA. This means that the plan is expected to cover at least 60% of the cost of claims (in other words, the plan has a 60% actuarial value).
 - If the UMC employer offers coverage through HealthFlex, you can check the box indicating the plan provides minimum value.
 - If the UMC employer offers coverage through an annual conference plan (other than HealthFlex), it most likely does satisfy minimum value. However, you should confirm minimum value with your annual conference office.
 - If the UMC employer offers coverage through an insurance company, you should check with the issuer about minimum value.

Questions 13 through 16 are optional. Employers are not required to complete them before giving the Notice to employees. The Notice does not need to be customized to each employee. However questions 13-16 correspond to questions that employees must answer in their application for coverage through the Marketplace. Therefore, completing questions 13-16 on this Notice may help your employees understand and obtain coverage through the Marketplace where applicable. Suggested answers are below:

- 13: Indicate whether the employee is currently eligible for the employer’s health plan, or whether a waiting period applies. **Note:** Beginning January 1, 2014, waiting periods may not exceed 90 days.
- 14: Indicate whether the plan provides minimum value (see above for more about minimum value).
- 15: Indicate the premium that the employee has to pay for coverage (this is the portion of the underlying premium paid to HealthFlex, the annual conference or insurance company that the employee himself or herself is responsible for paying), and the applicable frequency (monthly, weekly, etc.) that the premium is paid.
- 16: If the employer intends to cease offering coverage soon or will make changes to the plan or the premiums soon, indicate so here.

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The Center for Health monitors the ACA reform and provides applicable information for annual conferences, local churches and other UMC employers, as well as information for individuals employed through The United Methodist Church. We encourage you to check the Center for Health’s **health care reform web page** at www.gbophb.org/health_welfare/healthcarereform/index.asp frequently for general updates.

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