



Office of Human Resources

TO: Shepherd University Employees
FROM: Human Resources Office
DATE: September 27, 2013
SUBJECT: Affordable Care Act Notice

One of the requirements of the Affordable Care Act (ACA), which was signed into law in 2010, is that employers notify their employees before October 1, 2013 of the Health Insurance Marketplace. That is the purpose of this communication, which is based on information provided by the U.S. Department of Labor.

The Health Insurance Marketplace will take effect in 2014. (The Marketplace is referred to in the statute as the Exchange.) According to the U.S. Department of Labor, "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." Detailed information about the Marketplace can be found at www.healthcare.gov.

The ACA requires everyone who can afford health insurance to buy it or else they will face a penalty. People who do not have access to a qualified plan through their employer can purchase coverage through the Marketplace (Exchange). Open enrollment for the Marketplace begins on October 1, 2013.

Shepherd University provides health insurance coverage for regular full-time employees through the West Virginia Public Employees Insurance Agency (PEIA). This coverage meets the minimum value standard set by the Federal Government and its cost is intended to be affordable based on employee wages. What that means in this context is that if you are a regular full-time employee it probably would not be to your advantage to purchase a health plan through the Marketplace instead of enrolling in a PEIA plan. Since regular full-time Shepherd employees have access to a qualified healthcare plan through the University, if they purchase a plan through the Marketplace, they will lose the employer share of the premium contribution, which is substantial. Additionally, payments for coverage through the Marketplace are made on an after-tax basis, unlike PEIA premiums.

Shepherd University employees who are not eligible to participate in a PEIA plan because they are not full-time regular employees may qualify for tax credits to assist with insurance coverage through the Marketplace. Those tax credits are based on income and family size (see standards here: <https://www.healthcare.gov/will-i-qualify-to-save-on-monthly-premiums/>).

Here is the bottom line:

1. If you are eligible to participate in a PEIA plan and you ARE doing that, then no action is required of you.
2. If you are eligible to participate in a PEIA plan and you are NOT doing that but you are enrolled in healthcare coverage some other way (such as through your spouse's insurance plan), no action is required of you.
3. If you are eligible to participate in a PEIA plan and you are NOT doing that and you do not have health insurance coverage through another source, then you will need to purchase coverage from PEIA or through the Marketplace or else pay a penalty.
4. If you are NOT eligible to participate in a PEIA plan then you may purchase coverage through the Marketplace.

The ACA is complex and its rules are still evolving. A lot of unanswered questions remain. We are not experts on the ACA but we will do our best to help you sort through it if you feel like you need some help to understand whether any action is required on your part.