

TO: All Yuba County Office of Education Employees

FROM: Cindy Sutfin, Director of Human Resources

RE: **Affordable Care Act (aka, Health Care Reform) and Health Insurance Marketplace**

The Patient Protection and Affordable Care Act (“ACA”) was signed into law on March 23, 2010.

Below is a list of a few of the mandates under the ACA:

- Dependent coverage up to age 26;
- Elimination of Lifetime limits on essential health benefits;
- No cost sharing for Preventive Health Services;
- The cost of employer health plans are reported on employee W-2 forms;
- Summary of Benefits and Coverage (SBC) are available to employees to compare health plan offerings.

Another mandate of the Affordable Care Act requires employers to share information about the new “Health Insurance Marketplace” with employees annually. Attached is a notice form the U.S. Department of Labor with general information about the Health Insurance Marketplace. In California, the Health Insurance Marketplace is called “Covered California.” You can find specific details about Covered California on the internet at: <http://www.coveredca.com>, or you may contact customer service at 1-800-300-1506.

Another provision of the ACA that became effective January 1, 2017, is the “Individual Mandate.” Individuals must obtain minimum essential health coverage or be subject to a penalty. I have attached some information regarding this mandate obtained from the Covered California website for your review.

Please do not hesitate to call me at (530) 749-4870 if you have any questions.

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Enclosures: New Health Insurance Marketplace Coverage Options and Your Health Coverage  
Individual Mandate Penalty Information.



# New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved  
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## PART A: General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by your employer.

### What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

### Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

### Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.<sup>1</sup>

**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](http://HealthCare.gov) for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

<sup>1</sup> 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.

## The fee for not having health insurance

# If you don't have health insurance: How much you'll pay

If you can afford health insurance but choose not to buy it, you must pay a fee called the individual shared responsibility payment. (The fee is sometimes called the "penalty," "fine," or "individual mandate.")

- You owe the fee for any month you, your spouse, or your tax dependents don't have [qualifying health coverage](/glossary/qualifying-health-coverage) (sometimes called "minimum essential coverage"). See [all insurance types that qualify](/fees/plans-that-count-as-coverage/).
- You pay the fee when you file your federal tax return for the year you don't have coverage.
- In some cases, you may qualify for a health coverage exemption from the requirement to have insurance. If you qualify, you won't have to pay the fee. [Learn about health coverage exemptions](/exemptions-tool/).

Learn more about the [individual shared responsibility payment from the Internal Revenue Service](https://www.irs.gov/Affordable-Care-Act/The-Individual-Shared-Responsibility-Payment-An-Overview) (<https://www.irs.gov/Affordable-Care-Act/The-Individual-Shared-Responsibility-Payment-An-Overview>).

## The fee for not having health insurance in 2016 & 2017

The fee is calculated 2 different ways – as a percentage of your household income, and per person. **You'll pay whichever is higher.**

### Percentage of income

- 2.5% of household income

- **Maximum:** Total yearly premium for the national average price of a Bronze plan sold through the Marketplace

## Per person

- \$695 per adult
- \$347.50 per child under 18
- **Maximum:** \$2,085

## Paying the fee

- Using the percentage method, only the part of your household income that's above the yearly tax filing requirement (</glossary/tax-filing-requirement>) is counted.
- Using the per-person method, you pay only for people in your household who don't have insurance coverage.
- If you have coverage for part of the year, the fee is 1/12 of the annual amount for each month you (or your tax dependents) don't have coverage. If you're uncovered only 1 or 2 months, you don't have to pay the fee at all. [Learn about the "short gap" exemption \(/exemptions-tool/#/results/2016/details/short-gap\)](/exemptions-tool/#/results/2016/details/short-gap).
- You pay the fee when you file your federal tax return for the year you don't have coverage.

## Estimating your fee

Use this [IRS tool](https://taxpayeradvocate.irs.gov/estimator/isrp) to estimate your individual responsibility payment (<https://taxpayeradvocate.irs.gov/estimator/isrp>).

## More answers: The penalty for not having health insurance

[If I'm unemployed, do I have to pay the fee?](#)

What happens if I don't pay the fee?

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