



Frequently Asked Questions about the Healthcare Law Deadlines

Q: What is the most important item that a small business needs to account for regarding the October deadline?

A: Notice of Coverage is the most important item. For more information, visit: <http://www.nfib.com/advocacy/item?cmsid=63707>

Q: We are a three-person office (2 full-time (owners), one part-time). I'm confused about what we're responsible for doing by October 1. Can you clarify?

A: You are required to distribute the form to full-time and part-time employees by October 1. To be safe, be sure to distribute the form to your part-time employee and have them sign a verification form for your records indicating they received the form.

Employers who **provide insurance** (PDF): <http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>

Employers who **don't** (PDF): <http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf>

Q: What are the requirements for the Oct. 1 and Jan. 1 deadlines?

A: Before October 1st employers must distribute to their employees a "notice of coverage options" document to all of their employees. The Department of Labor has issued model forms that employers can use, and we have linked to these documents above and also at NFIB.com/Healthcare.

We are recommending that employers have all of their employees affirm that they have received this document in some way, such as signing a document. The DOL has indicated that there will be no penalties associated with complying with this provision.

Also on October 1st, the individual and small business health insurance exchanges will open for enrollment, meaning that people can start using the exchanges to purchase health insurance. Coverage will begin January 1st.

On January 1st, the individual mandate will begin, meaning that all individuals (with some small exceptions, such as inmates), must purchase "minimum essential coverage."

Also on January 1st, all of the insurance market reforms will go into effect, so any new insurance policies issued after that date will have to comply with the new insurance regulations.

For more information about all of these reforms, and what "minimum essential health benefits" means, visit NFIB.com/Healthcare.

Q: Is Notice of Coverage Options required for student part-time employees?

A: Yes, it is required for all employees.

Q: Are any of the notices available in Spanish? And do we need to send employee notification letters in both English and Spanish?

A: The documents are offered in both English and Spanish <http://www.dol.gov/ebsa/healthreform/>. While Dept. of Labor has supplied forms in English and Spanish, we are not aware of any requirement to give both to employees.

Q: What if we make a new hire in the next few months? Is this form required for new employees or just to inform existing employees?

A: Any employee hired after October 1, 2013, must receive the notice within 14 days of their start date.

Q: As a seasonal employer with 20 employees, are we required to meet the Oct. 1 deadline for "Notice of Coverage" when workers don't start here until February?

A: You are still required to distribute the Notice of Coverage Options document to employees. However, if your employees begin after October 1, then you have 14 days from the employees' start date to distribute the document. So, the October 1 deadline is not as important for your situation.

Q: Are companies still allowed to wait until a new employee has finished a probationary period before they are added to the health insurance? If so, how long a probation period is allowed?

A: Yes, but the maximum probationary period for a new full-time employee is 90 days (not pay periods or calendar months, but 90 days from an employee's start date). If you are uncertain whether the employee will be a full-time employee (also known as a variable hour employee), you can measure that employee's hours for a 3 to 12 month window to determine whether their monthly hours exceed a 130 hour/month average before coverage must be offered if it is determined that they eventually are full-time.

Q: We are a small business (under 50 people), do our employee's need to sign waivers that we are not providing them health insurance?

A: You will still need to provide the Notice of Coverage Options document to all your employees by October 1: <http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf>. NFIB is recommending that employers have employees sign a document to be kept by the employer verifying receipt of the form.

Q: The model notice has an area to say if we offer a plan to all employees or some employees. If we offer it only to qualified employees, do we need to give a separate notice to those who are ineligible for coverage from those who are eligible? If so, what needs to be changed on the notice?

A: Use the model notice for businesses that offer to some or all employees: <http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>. There is a box on page 2 of the form to check "Some Employees" and fill in employee details.

Q: We are a small business with fewer than 25 employees. I have several employees who purchase health insurance on their own, what happens

to them when they don't participate in our group health program?

A: If they choose not to participate in your plan, they may get coverage in the exchange. Depending on the affordability of your plan, they may or may not be eligible for tax subsidies in the exchange.

Q: We have three separate corporate entities with some similar board representatives but all under one group insurer. Each entity has less than 50 employees but together they have over 50 FTE. Are we considered as the over 50?

A: Businesses that are considered a "controlled group" need to be aggregated together when considering their responsibilities under the healthcare law. There are basically 3 tests that can be applied to see if businesses are a "controlled group": 1) a brother/sister test, 2) a parent/subsidiary test, or 3) a hybrid.

Generally, if 5 or fewer people own 80% of a business then it is considered a controlled group, so if 5 or fewer people own multiple businesses then they will be aggregated.

These rules are based on pension law (called the Employee Retirement Income Security Act, or ERISA), and we recommend that business owners consult a benefits attorney to work out if their businesses need to be aggregated.

Q: We are confused about the whole situation. What companies do NOT need to do this? We are a small shop with fewer than 10 employees - some with Med Insurance and some taking care of it from other sources.

A: If you have fewer than 50 full time equivalent employees, you are not required to offer health insurance to full time employees. But you still need to provide the notice of healthcare coverage options (use the "[Employers who don't provide insurance](#)" form). If you mean some employees have Medicare insurance, then that is an acceptable method of coverage with regards to the individual mandate.

Q: I thought the deadlines were delayed another year. What do we need to do now with our employees, as it relates to Obamacare?

A: Some provisions have been delayed, others will continue on schedule. The employer mandate, the requirement that businesses with 50 or more full-time or full-time equivalent employees must offer health insurance to full-time employees or pay penalties has been delayed one year until 2015. In most states, businesses with fewer than 50 employees will have more limited offering options in Obamacare's small business exchanges (or SHOPS) and will only be able to enroll their employees in a single health insurance plan. However, businesses must still distribute a Notice of Coverage Options document to employees by October 1, 2013. Health insurance exchanges will open for enrollment on October 1, 2013. The individual mandate will begin on January 1, 2014 requiring nearly all Americans to purchase health insurance or pay penalties. And all health insurance requirements will take effect on January 1, 2014, potentially causing individual and small business health insurance costs to increase.

Q: Do you expect any further delays in the individual mandate?

A: The House of Representatives has passed legislation that would delay the individual mandate for one year, to match the one year delay in the enforcement of the employer mandate that the Obama Administration issued administratively. For the record, NFIB supported this legislation.

Unfortunately, the President opposes this legislation and has threatened to veto any legislation that would delay the individual mandate. Because of this, we do not anticipate a delay in the individual mandate at this time.

Q: We AVERAGE 48 full time employees. Some months we have over 50

but most are 48 and under. How is it determined whether we have over 50 employees or not?

A: First, the employer mandate starts January 2015, so you are "off the hook" for 2014, BUT you should certainly keep track of everything now, for record keeping purposes and to protect yourself. To answer your specific question, IRS has still not finalized regulations that will tell us what the look back period will be. You are a great example of a business that could grow and flourish in a supportive economy but laws like the ACA dissuade you from doing so because of the threatening mandates and penalties.

Q: Since the deadline to offer healthcare to 30+ hour employees is pushed back to 2015 but individuals are required to purchase in 2014, will we pay a penalty on those that are on the exchange in 2015 or will they have the option to come on our plan at that time? If they chose to stay with the exchange (due to the rebates from government) will we have to pay a penalty?

A: We are still waiting for final regulations regarding the employer mandate. The Exchange is supposed to be capable of prohibiting employees who have the offer of affordable health insurance coverage from their employer from accessing subsidized coverage, even in 2014.

Q: The exchanges open October 1 and you can enroll in them through March 31. When will they be open for enrollment again? Will they be available for qualifying events after March 31?

A: Open enrollment for exchanges will begin October 1 of every year. Open enrollment may not last as long in future years, but that is uncertain. Individuals will be able to change benefits or enroll after a qualifying event, likely within 60 days.

Q: Just to double-check-If we have less than five employees, we do not have to offer any health insurance?

A: Only businesses with 50 or more full-time or full-time equivalent employees must offer coverage to full time employees in 2015.

Q: Can an employee drop their coverage through their employer to enroll in coverage through the exchange? Could they get a tax credit if they qualified and did so?

A: An employee can ONLY drop their employer sponsored health insurance AND obtain a tax credit IF the coverage is inadequate or unaffordable. Inadequate means the coverage has a plan generosity measurement (or actuarial value) below 60%. This means health insurance premiums must cover at least 60% of expected health costs and the employee is responsible for the remaining 40% in cost-sharing (deductible, co-pays, co-insurance). Nearly all small business health plans meet this requirement but businesses can ask their health insurance broker or health insurer whether their plan is adequate. Affordable health insurance means the employee's contribution to the policy is less than 9.5% of the employee's income (Box 1 of employee's W-2 form). If an employer offers multiple plans, it would be the employee's contribution to the lowest cost option. If employer-sponsored insurance is both affordable and adequate, then an employee is prohibited from receiving tax credits on the individual exchange to help purchase coverage.

Q: Many of my employees work for me part time and full to part time for

someone else. How do I know if they earn more or less than the 9.5%?

A: You will only be responsible for knowing what you pay your employees. Box 1 of the W2 form that you provide your employees.

If you are a large employer, there will not be a requirement to offer coverage to part-time employees, only full-time employees.

Q: What are my responsibilities when I know the employee works for another employer also?

A: You are only responsible for coverage you may offer your employees, not for what they may receive or may be offered by another employer. Recall, you are only required to offer to full time employees if you have over 50 full time equivalent employees.

Q: Is it going to be the employer's responsibility to track what insurance the employee has (employer plan, Medicaid, or marketplace)?

A: If your employee elects something other than your plan, it is not your responsibility to track their insurance coverage.

Q: Is it true that each year that a person doesn't have a health insurance plan, their penalty will increase substantially? Also, will insurance plans start covering pre-existing conditions from here on?

A: Yes. Penalties begin at \$95 or 1% of taxable income in 2014, \$325 or 2% of taxable income in 2015, and \$695 or 2.5% of income in 2016. These figures increase as premiums increase in 2017 and beyond. Beginning in 2014, health insurers will be prohibited from denying individuals health insurance based on preexisting conditions in the individual market. This prohibition was already law in the employer-sponsored health insurance market.

Q: How do they figure whether it is \$95.00 or the 1%?

A: It is the greater of 1% of taxable income or \$95. The IRS will be in charge of determining the amount and enforcing the individual mandate.

Q: My current health insurance provider notified me that our insurance offering does not meet the minimum standard. What is the minimum standard?

A: Minimum value means your insurance product must meet a minimum plan generosity measurement (actuarial value) and benefit package. That means your insurer will have to change the product and costs will likely increase for your business. Please consult your insurance broker or insurer on what changes will have to be made to your insurance product.

Q: Is there a form we should have employees sign that proves we gave them the form?

A: We recommend you keep a record (for example, that your employees sign that they've received the document from you) - of everything.

Q: Will the Notice of Healthcare Coverage be reported to the IRS?

A: The Notice of Coverage Options requirement is enforced by the Department of Labor. The IRS will enforce the individual and employer mandates, reporting requirements, and the tax increases in the law.

Q: Is a subsidy plan considered a qualified health plan?

Example: I have my employees pick their own HSA plan and deductibles and keep the policy in their name, but billed to our business. (Cheaper premiums this way and also totally portable).

A: HSAs must be integrated with high deductible health plans, and those deductibles will have some limitations (\$2,000 for individuals and \$4,000 for families), but those deductibles can be increased if the employer contributes to the HSA. If you contribute \$3,000 to your employees, the deductibles will likely be able to be increased to \$5,000 for individuals and \$7,000 for family coverage.

Q: What are our responsibilities as a Union shop? We pay an amount agreed upon by the union per hour for their insurance, but if they don't have enough hours to pay their premium they are not covered unless the employee pays the difference.

A: The arrangement should not change considerably. It will be the responsibility of the union employee to maintain health insurance coverage under the individual mandate. The Administration was considering special rules for multiemployer (union) plans. However, that is looking less and less likely to be the case.

Q: Can we offer all plans (platinum to bronze) to everyone but participate in the reimbursement at different contribution levels based on employees' job classification? For example: can we pay up to 90% of general managers and only 60% of other employees?

A: We are still waiting for regulations regarding nondiscrimination of employer health insurance (i.e. whether employers will be able to contribute different amounts to different classifications of employees). Those will not be enforced until the regulations are published (so not in 2014). So the frustrating answer I have to give you is we will have to wait and see. Unfortunately, within the small business exchange (or SHOP), you will only be able to enroll your employees in one health insurance plan if the federal government is establishing the exchange or partnering to establish an exchange in your state next year. In states that are setting up their own small business exchange, you may have more offering options.

Q: We are on a group plan and our monthly premium is extremely high because my wife went through cancer. Up until now, we have not been able to look for better pricing because of her pre-existing condition. We are worried about going into the open market looking for insurance for fear we would lose our current insurance and then be uninsurable. What can we do?

A: You have a few options: Your wife can examine options on the open market at www.healthcare.gov beginning October 1. Beginning January 1, 2014, insurers will no longer be able to deny individuals health insurance based on preexisting conditions in the individual market. Or you could continue to keep your group health plan.

Q: What are the essential elements of information which are required to be included in the notification letter? Does anyone have an example or template we can use?

A: There are two different "Model Language" templates for the Notice of Coverage Options document:
One template for employers that DO OFFER health insurance coverage: <http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>.
One template for employers that DO NOT OFFER health insurance coverage: <http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf>.

Q: Now that all are required to have health insurance - will the requirement for me to provide my employees with workers comp insurance be eliminated as it would be duplicate coverage?

A: No, Obamacare does not directly impact requirements to maintain workers comp insurance or COBRA coverage. It may impact rates, but not requirements.

Q: My business consists of 8 employees 2 of which are owners. We do offer health insurance and pay 50% of the premium. Am I correct that Obamacare will have little to no impact on my business?

A: You will have to worry less about compliance but the changes to the small group health insurance market may impact your bottom line. Small group health insurance will have increased benefit mandates (essential health benefits), limitations (deductible limits of \$2,000 for individuals and \$4,000 for families), and taxes of fully insured health products. These changes could put upward pressure on your premiums.

Q: I have no employees other than myself. I have health insurance for my family, and I exercised my right to keep my own insurance. Am I adequately covered to avoid fines or penalties under the affordable healthcare act?

A: Yes, you should be adequately covered to avoid fines or penalties because you and your family are satisfying your individual mandate requirements. You may see your premiums increase as a result of the law, however.

Q: *The Wall Street Journal* reported this morning that the software will not be available to allow employees to determine the cost of insurance through the Marketplace by October 1. How will that be handled?

A: The Administration continues to insist that the exchanges/marketplaces will be ready by October 1, even if anecdotes/evidence is to the contrary.

Q: Where do I send my clients to sign themselves up for healthcare exchange?

A: The federal website - www.healthcare.gov - will be the place to send individuals and small businesses to register for coverage in states that have not set up their own exchanges. This site will also redirect individuals in states that are setting up their own exchanges to their state websites.

Q: I am in Virginia. The last I remember of my state's position on Obamacare was that it was doing everything in its power to block having the Exchanges. Is this still true? Are exchanges unavailable to Virginians?

A: There will be two exchanges in every state, including Virginia. There will be an individual exchange and a small

business exchange - in Virginia, and many other states, they will run by the federal government.

Q: Is it true that eye coverage has to be included in your health benefits. If so was kind of coverage has to be included?

A: Pediatric eye care is included in the essential health benefits package.

Q: We are a small company (13 FTE). We pay 100% of the health insurance premium for the employee. If we stay with the same carrier, can we adjust/raise the deductible to keep the premium increase reasonable?

A: There are deductible limits in the small group market (<50 employees) of \$2,000 for individual policies and \$4,000 for family policies. These deductible limits can be adjusted if an employer contributes to an HRA or HSA by the amount of those contributions. For example, if an employer contributes \$1,000 to an employee-only HSA, then the deductible can be increased to \$3,000.

Q: Will Individuals (with ACA compliant, Individual Health Plans) be able to write off the premiums they pay on their taxes?

A: Only if greater than ten percent of the adjusted gross income.

Q: How should we help our employees compare their current health insurance plans vs. the exchanges?

A: The best way for them to compare is to use their current rates and compare it to the coverage in the exchange, but please also consult your insurance provider or broker.

Q: We have an NFIB group health plan; will these groups cease to exist after January 14?

A: They are not going away. You can access the NFIB Public and Private Exchange, including plans that have subsidies, by going to NFIBHealth.com or contacting NFIB Health Exchange help hotline at 1-866-862-0410.

Q: If our state (we are in Missouri) does not have an exchange, what are our options?

A: The federal government will create an exchange for states like MO. The website www.healthcare.gov will be where the portal will be available beginning October 1. They will also publish rates for premiums Oct. 1.

Q: What does the employer need to provide for their employees in the way of medical benefits? Are there, currently, Health Insurance Marketplaces that we can direct our employees to, or that have plans available that meet the new requirements for employers to go to or utilize?

A: An employer with fewer than 50 full-time or full-time equivalent employees is NOT required to offer health insurance or pay penalties. However, if a small employer chooses to offer health insurance, that coverage must offer more benefits than large employers including deductible limits and the essential health benefits package. Only

businesses with 50 or more full-time or full-time equivalent employees must offer health insurance to employees and their dependents. Employee coverage must be adequate (60% actuarial value) and affordable (<9.5% of employee's income). Dependent coverage does not have to be affordable but must be offered.

Health insurance marketplaces will exist in every state and open for enrollment beginning October 1, 2013 and remain open through March 31, 2014. Coverage will not begin until January 1, 2014.

Q: What do you mean when you say small employer plans must offer more benefits than large employer plans?

A: Businesses that are in the "small group market" or the "individual market" which is defined as under 50 employees must purchase insurance (if they offer insurance) that includes the essential health benefits package. This is a series of health care benefits that the insurance package must include.

Additionally, small group and individual policies will have deductible limits, restrictions on "ratings" (the difference in premiums between the younger/healthier people in the risk pool vs. the older/sicker people), and maximum annual out-of-pocket spending limits of approximately \$6,000.

In 2016, the small group market will be defined as employers with up to 100 employees, and all of the mandates will apply.

Q: I have a small company and insure all of my 28 full time employees and pay the premium 100%. Is there any reason they would go to the exchange or is there any reason I would want to push them to the exchange?

A: Because you pay 100% of the premium, you would provide a better deal than the exchanges. In fact, your employees would be prohibited from the individual exchange because you offer affordable and adequate coverage to your employees.

Q: Are there any penalties for employers that do not offer insurance and are there any options for small businesses?

A: There are penalties for employers. Beginning in 2015, for employers with more than 50 full time equivalent employees who do not offer to full time employees, the first 30 full time workers are exempt from a penalty, and on every full time employee after that there is a \$2,000 per employee fine. If you offer unaffordable coverage, there is a \$3,000 per unaffordable employee fine.

As for small business specific options, in every state there will be small business exchange.

Q: What requirements are specific to employers with less than 10 employees?

A: The requirement is to distribute the Notice of Coverage Options Document to all employees. If you do offer coverage, the cost may increase as a result of the law but you can shop for coverage in the small business exchange (SHOP) in your state. There is a temporary and targeted tax credit available to certain businesses under 10 employees.

Q: Who is considered a full time employee?

A: Under the ACA, a full time employee is defined as working 30 or more hours per week.

Q: We currently offer insurance to our employees and pay 95% of the premium. If the employee chooses to buy thru the exchange are we still

required to pay 95% of the premium or is this an option?

A: Not directly. You can raise their salary by an equivalent amount, but it will be taxable income.

Q: If someone has chosen to not get coverage from their employer, can they qualify for a tax credit on the exchange even though they refused coverage from their employer?

A: The employer can only leave employer coverage to obtain subsidized coverage if it is unaffordable (employee contribution is >9.5% of employee's income). If the coverage is affordable they will be PROHIBITED from tax credits

Q: We are a company under 50 employees. I read something somewhere in Obamacare that if our payroll is over \$400,000.00 there would be a penalty of 8% if we did not provide Obamacare. Our payroll is over that per year.

A: No, there is no payroll threshold.

Q: Are the regulations regarding measurement periods and stability periods remaining the same for 2014?

A: We have asked the IRS these questions and they said we must wait for final regulations regarding the employer mandate (i.e. measurement and stability period). It is likely that those periods will begin in 2014 for the employer mandate which begins in 2015. Previously, they were to occur in 2013 for the year 2014. We will know this answer when the final regulations are issued.

Q: My company has a \$5,000 high deductible plan. The company pays 50% of the premium but does not contribute to an HSA. Is this allowed to continue?

A: The deductible may have to be adjusted down, as all small business health insurance (in 2014) will have deductible limits of \$2,000 for individuals, and \$4,000 for families. This limit is adjusted upwards dollar for dollar if the employer contributes towards the HSA. For example, if an employer contributes \$2,000 towards an HSA, the deductible limits will be \$4,000 for individuals, and \$6,000 for families.

If an employer purchases insurance through the large group market, or self-insures, this will not apply.

Q: With HSAs, our office has a matching policy where we will contribute the same amount as an employee is willing to contribute. Will this be impacted?

A: No, this won't be affected directly. However, all small business health insurance in 2014 will have deductible limits of \$2,000 for individuals, and \$4,000 for families, with the caveat that HSA contributions push these limits higher. In other words, if you contribute \$2,000 towards an employee's HSA, then their deductible limits will be \$4,000 (for an individual policy).

Also, all health care policies will have an annual out-of-pocket spending limit, which is currently tied to high deductible health plans (approximately \$6,000, currently).

Q: If a small (under 10) employer does not offer group benefits, and the

employees opt for coverage through the MarketPlace, 1) Can the employer contribute toward the premium? 2) Can the employee still get a subsidy? and 3) Are these employer contributions on a pre-tax basis to the employee or taxable as income?

A: The employer cannot formally contribute towards the premium for an employee receiving coverage in an exchange. You could increase their pay, but it would be considered taxable income. The employee may be eligible for subsidies depending on their income. Your third question is negated because the employee is in the exchange and you are not formally providing them coverage.

Q: We do not have a health insurance plan but reimburse our employees monthly. What form am I required to give my employees?

A: You would give them the non-offering form. Remember that any 'reimbursement' would be considered taxable income.

Q: We have a grandfathered plan that currently charges different rates for male vs. female and by age; I know with PPACA you are not allowed to discriminate by gender...will we be forced to change our plan to comply with this, and if we do so, will that lose our grandfathered status as it would be a major rate change for a number of employees (females)?

A: Your grandfathered status can remain as long as you do not make "significant" changes to your plan (i.e. copays, deductibles, employee contribution). You will not have to change your plan until those changes are made. As long as your plan doesn't change, your health insurance should remain as is.

Q: My small business offers insurance (high deductible HSA plan) to employees, currently paid at 100% for employee. If we want to drop the insurance, offer a monthly contribution, and have employees go on the exchanges, does that have to be communicated on/before October 1st?

A: If an employee is in the exchange, any contribution you make is informal and considered taxable income. Yes, the notice of coverage decision needs to be communicated to them Oct 1.

Q: If we currently offer spouse and dependent coverage, will we have to continue to do so?

A: Beginning in 2014, all health insurance will have to include dependent coverage up to the age of 26, if dependent coverage is offered.

For small businesses, dependent coverage is not required to be offered, but if it is, it must be offered to dependents up to the age of 26.

You are only required to offer dependent coverage if you are subject to the employer mandate--i.e. you have more than 50 full time or full time equivalent employees.

Q: If we insure employee and dependents...do we need to know the income of both the employee & their spouse to calculate if it is

affordable?

A: The law originally said household income. However, in regulations the Treasury/IRS said employers only have to know their employee income (box 1 of W2). Affordable health insurance is calculated by determining an employee's taxable wages (box 1 of an employee's W-2), as it relates to "employee-only" health insurance. The employee's contribution to the lowest cost, self-only health insurance premium must be less than 9.5% employee's taxable wages.

Employers are only required to "know" what their employee's wages are vis-a-vis the affordable insurance mandate. Employees, however, are required to know what their household income is vis-a-vis their eligibility for subsidized health insurance acquired through the exchanges.

Q: Our company currently offers health insurance to our employees that is deemed affordable, based on 9.5% of the employee's income. We also offer family coverage, however that is NOT affordable based on the family income. Because we offer the insurance, does that mean that the spouse and dependent children are not able to get credits and/or subsidies in the exchange? If so, how can we get around that?

A: That is correct. Because you offer affordable health insurance to your employees, their spouse and dependents will be prohibited from receiving tax subsidies on the individual exchange. The spouses and dependents can still purchase coverage on the exchanges, but it cannot be subsidized by tax credits. They can therefore purchase unsubsidized coverage on the exchange or pay for your employer-sponsored coverage, whichever is a better deal for their situation.

Q: Currently, if a business does not offer health insurance but their employee shows proof of coverage (individual policy or spouse's employer coverage), the business can issue the employee a check toward their insurance premiums and it is considered NON-TAXABLE income to the employee and an expense for the business according to IRS regulations. Are you saying this will now be TAXABLE to the employee regardless of whether they have their insurance through the exchange or through a spouses plan?

A: That arrangement may have to change. The Department of Labor and IRS appear to be limiting that ability to offer tax free contributions for the purchase of health insurance THROUGH the exchange. More information may be found here: [Applicability to HRAs, Health FSAs, and Certain other Employer Healthcare Arrangements](http://www.dol.gov/ebsa/newsroom/tr13-03.html) - Guidance on the application of certain provisions of the Affordable Care Act to health reimbursement arrangements, employer payment plans, and health flexible spending arrangements <http://www.dol.gov/ebsa/newsroom/tr13-03.html>

Q: I was told that the notification going out on October 1 needs to include a Summary Plan Description of any health insurance currently being offered by the employer, and that if more than one insurance company is involved (we have extra insurance to cover our large deductible). Can we be fined by the DOL if this is not all combined on the same page?

A: There is no penalty or fine for failure to distribute the Notice of Coverage Options document to employees. I am not aware of a requirement to provide information in excess of the requirements of the document. Separately, employers must provide a Summary of Benefits and Coverage document to employees that will be provided by your insurer. This document does not have as strict a deadline but typically coincides with open enrollment season.

Q: I am hearing/reading mixed information about the status of our state exchange being ready by Oct 1 for enrollment. How will that affect us?

A: States and the federal government have made every indication the exchanges will be ready Oct 1...we shall see!

Q: There is a new IRS directive on Cafeteria Plans. Where can I go for more information?

A: The IRS ACA regulation website details this directive and has copies of the notice: <http://www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions>

Q: Is there a possibility that existing employer plans will see an increase in premiums? If so, by what deadline do employers need to notify covered employees?

A: We have seen increases in states that have notified their premium rates. We believe that could be reasonably expected because of increased mandates and taxes. If your plan is a non-calendar year plan, you can let your employees know when open enrollment begins. We are still advising employers to distribute the Notice of Coverage Options document using current rates by October 1.

Q: Our small group insurance policy is currently in effect until December 31. However, I have been told we are going to be offered an early renewal in October or November. Is this ok to do?

A: Many people are taking advantage of early renewals to lock in this year's rates through next year. Go for it!

Q: Are the exchange premiums going to be higher than the SHOP plan premiums through employers?

A: In those states that have published rates, individual premiums have been lower than small group rates but that is because the policies have been less generous than employer policies. Small employers have increased requirements such as deductible limits. Individual policies are allowed to have higher deductibles.

Q: What will be the role of health insurance agents?

A: In every state except for Vermont and Washington, D.C. individuals and small businesses can continue to purchase health insurance outside of the exchanges.

You can continue to utilize your traditional insurance broker/agent to purchase health insurance if you have done so in the past. Insurance agents may also be able to help individuals and small businesses purchase health insurance through the exchanges.

Q: What are the deductible limits for the 50- 100 employees?

A: Beginning in 2016, \$2,000 for individuals and \$4,000 for family coverage. Right now b/c you are in the large group, there are no deductible limits.

Q: Can the employee pay their premium out of the HSA?

A: No, premiums cannot be paid out of an HSA. Only out of pocket expenses.

Q: We are a small business with less than 50 employees. We are currently offering a 120 day waiting period for coverage. Does the 90 day waiting period apply to both small and large businesses?

A: The 90 day waiting limit applies to everyone.

Q: In NJ, small group market (2-50 employees) requires 75% participation rate to be eligible for small group rates. Is this still the case under ACA?

A: Obamacare does not impact existing state minimum participation rates, unfortunately. NFIB opposes minimum participation rates as they are a barrier for employers to begin to offer coverage.

Q: Since the company (not covering health insurance for employees) is a member of NFIB, can our employees get a health plan through NFIB?

A: NFIB offers affordable health insurance as a member benefit. Find out more: <http://www.nfib.com/member-benefits/insurance/nfib-health-plans>.

Q: Is accident insurance considered health insurance?

A: No, accident insurance is not considered health insurance.

Q: Is there any way to get out of "Affordable Care Act"?

A: Right now, the answer is sadly 'no' but we encourage you to engage with your member of congress and senators and express your concerns.

Q: Is there a good source of information for small businesses that will give them the current status of healthcare law implementation and keep them up to date as time goes on?

A: NFIB.com/Healthcare has resources for small business owners including short videos, longer playbook explanations, and one-page documents. We will continue to update this information as any changes are made to the law.