



State of Connecticut  
Health Insurance Exchange

Person ID:  
Doc ID:

Notice Date: 06/06/2016

Application Date: 06/06/2016

## Sample Notice

Application ID:

Attn: Important Legal Information Enclosed

### Notice of Employee Eligibility for Premium Assistance

You are receiving this letter with regard to the Employer Shared Responsibility requirement of the Affordable Care Act (the "**Employer Mandate**").

If you employ fewer than 50 full-time equivalent employees ("FTEs")\*, you are not considered a "large employer" and, as a "small employer," are not subject to the Employer Shared Responsibility Payment ("Employer Mandate tax penalty") with respect to the employer sponsored health coverage you may offer your employees and their dependent children.

If you employ 50 or more FTEs, you are considered a "large employer" and may be subject to the Employer Mandate tax penalty.

Large employers who offer Affordable<sup>1</sup> coverage that provides Minimum Value<sup>2</sup> to the requisite number of full-time employees and their dependents up to age 26 satisfy the Employer Mandate requirements and will not be assessed the Employer Mandate tax penalty. Large employers who fail to offer coverage, or who offer coverage that is not Affordable or does not provide Minimum Value, may be subject to the Employer Mandate tax penalty if at least one full-time employee enrolls in health insurance through a health insurance marketplace established under the Affordable Care Act (a "**Marketplace**"), such as Access Health CT (AHCT), and is deemed eligible for a premium tax credit (a "**PTC**") in connection with that coverage.

\* For help with calculating the number of FTEs, visit: <http://www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-Questions-and-Answers> and click on "Determining FTEs and Average Annual Wages"

<sup>1</sup> **Affordability exists where** the monthly premium cost for only the employee (not including coverage for their dependents, if applicable) for the Minimum Value health insurance plan offered by the employer to that employee and their dependents costs equal to or less than, in 2014, 9.50% (9.56% in 2015) of their Household Modified Adjusted Gross Income. There are three safe harbors available to employers to determine the employee's household income, based on: (1) the Form W-2 wages; (2) the employee's rate of pay; and (3) the federal poverty line. For more information on these safe harbors, visit <http://www.irs.gov/Affordable-Care-Act/Employers>.

<sup>2</sup> **Minimum Value exists where** the plan offered to employees and their dependents (under age 26) covers at least 60% of the total allowed cost of medical services and includes coverage of both inpatient and outpatient services. There is a minimum value calculator available from the US Department of Health and Human Services which will help you determine whether the plan you offer provides Minimum Value. The Minimum Value calculator can be accessed by visiting <http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/mv-calculator-final-4-11-2013.xlsm>.

Employee name will appear here.



This letter is to inform you that one of your employees, [REDACTED] enrolled in health insurance coverage through AHCT and has been determined eligible for a PTC based on the employee's attestation that you, their employer, did not offer Affordable and Minimum Value coverage to the employee and/or their child dependents under age 26.

**Delay in the Employer Mandate tax penalty for 2014 and 2015**

In 2013, the Employer Mandate tax penalty for 2014 was delayed for all large employers. Given this delay, AHCT did not hear appeals from employers who received the Notice of Employee Eligibility for Premium Assistance.

In February 2014, the Employer Mandate tax penalty was further delayed for large employers who meet certain requirements. Specifically, a large employer is not subject to the Employer Mandate tax penalty for coverage offered in 2015 if it is:

- A large employer who employed at least 50 but fewer than 100 FTEs in 2014, as long as the employer certifies that, for the period beginning on February 9, 2014 and ending on December 31, 2014, the employer did not reduce the size of its workforce or the overall hours of service of its employees in order to qualify for the Employer Mandate tax penalty delay. Additionally, the employer must certify that it did not eliminate or materially reduce any health care coverage it offered to eligible employees between February 9, 2014 and December 31, 2015; or
- A large employer who employed 100 or more FTEs in 2014 and who offered and continues to offer Affordable, Minimum Value coverage to at least 70% of its full-time employees and their dependents up to age 26 (Note: the requirement to offer coverage to dependents of full-time employees generally will not apply if the employer takes steps to arrange for dependent coverage beginning in 2016).

A large employer who does not meet the requirements of one of the two bullets listed above may be subject to the Employer Mandate tax penalty for the employer sponsored health coverage they offer in 2015.