

BENEFIT FUNDS - International Union of Operating Engineers

Local Unions 138, 138A, 138B & 138C Nassau & Suffolk Counties
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TO: Contributing Employer to the I.U.O.E. - Local 138 Welfare Fund

Re: Notice of Health Insurance Marketplace Coverage

Date: September 9, 2013

Dear Contributing Employer:

As you may be aware, the Patient Protection and Affordable Care Act ("ACA") requires all employers (including those employers that provide health insurance to their employees through a multiemployer benefit fund) to provide their employees with a notice concerning availability of coverage under the Health Insurance Exchange (Marketplace) created under the ACA. This Marketplace Notice must be sent to all employees on or before October 1, 2013.

The I.U.O.E. - Local 138 Welfare Fund is providing you with the attached "Marketplace Notice" for eligible members of the Fund. Pursuant to ACA, this notice must be provided to each new employee at the time of hiring beginning October 1, 2013. With respect to your current employees, you are required to provide the enclosed notice not later than October 1, 2013. The notice provided to your employees is for coverage under this Fund only.

Employers should consult their own attorneys to determine whether they are in full compliance with all the requirements of the ACA and if they must send out a separate notice for benefits provided to their other employees through a separate plan.

If upon review you have any questions, please do not hesitate to contact the Fund Office.

NEW HEALTH INSURANCE MARKETPLACE COVERAGE OPTIONS AND YOUR HEALTH COVERAGE

General Information:

Under the "Affordable Care Act" or "Obamacare," individuals will soon be able to purchase health insurance coverage through the **"Marketplace."** The "Marketplace" is also called an "Exchange". Open enrollment begins on October 1, 2013 for coverage that will be effective January 1, 2014.

What is a "Marketplace"?

The Marketplace allows individuals to compare and buy insurance plans. You will be able to compare information about health plans including availability, covered benefits, premiums, cost-sharing, provider networks, and financial information. You can get information about the Marketplace options at HealthCare.gov including an on-line application for health insurance information and contact information for a Health Insurance Marketplace in your area.

Does the Marketplace only offer government health insurance?

No. Through the Marketplace, individuals will be able to purchase coverage from private insurance companies, like Blue Cross, Aetna and United Healthcare. However, individuals can also learn whether they or their children are eligible for Medicaid or other federal health programs.

Is the coverage I could purchase on the Marketplace better or less expensive than the coverage I may receive from the I.U.O.E- Local 138 Welfare Fund?

You must evaluate this choice. To do so, you must consider the amount you pay monthly for your current insurance (if any) as well as the deductible and out-of-pocket limits for your plan (also if applicable). You will need to compare these numbers to the monthly premium, deductible and out-of-pocket limits for the health insurance coverage available through the Marketplace. **It is very likely that your current insurance will provide better coverage at a lower cost to you than any coverage available through the Marketplace.**

If you wish to compare your coverage to Marketplace coverage, please call the Fund Office for your most current eligibility and contribution information. You will need this information for an accurate comparison and to determine if you are eligible for financial assistance for your Marketplace coverage.

I have heard that I could be eligible for assistance in paying for the premium for my Marketplace coverage and also be eligible for reduced out-of-pocket costs. Am I eligible for these Marketplace benefits?

An individual who has employer-provided coverage is eligible for a "premium assistance tax credit" **only if** (a) the employer-provided coverage does not provide at least a minimum level of coverage or (b) costs more than 9.5% of your income for single employee coverage. **With respect to (a), please be advised that your current coverage is well above the minimum level of coverage required.** With respect to

(b), it seems unlikely that an individual covered under your current plan must pay 9.5% of his salary for single only coverage.

NOTE: *If you purchase a health plan through the Marketplace instead of accepting health coverage offered through the Fund pursuant to a collective bargaining agreement with your employer, your employer is not required to assist you in purchasing Exchange coverage. Moreover, please be advised that although your health coverage through the Fund is excluded from income for the purpose of federal and state taxes, Marketplace coverage must be purchased with after-tax dollars.*

Information about Coverage Available through I.U.O.E- Local 138 Welfare Fund:

If you satisfy the Fund's eligibility rules, you may be entitled to have health benefits coverage through the ***I.U.O.E- Local 138 Welfare Fund, 137 Gazza Blvd. Farmingdale, NY 11735, (631)694-2480 option 2.*** The Fund's Employer Identification Number is **11-1628170**.

Coverage is offered to all employees in the bargaining unit covered by the Collective Bargaining Agreement between your employer and the I.U.O.E. – Local 138.

The Fund offers coverage to all eligible dependents, including your spouse as well as your children (including natural, adopted, stepchildren, children placed with you for adoption or for whom you have permanent legal and physical custody).

Even if your employer intends this coverage to be affordable, you may 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.

The Fund's coverage meets the "minimum value" and "affordability"* requirements set forth in the Affordable Care Act.