

The Affordable Care Act General Employee Questions

Q: What is the Affordable Care Act?

A: The Affordable Care Act (ACA) is a federal statute signed into law on March 23, 2010 by President Obama. The goal of the ACA aims to increase the quality, accessibility, and affordability of healthcare coverage for individuals. Through a mandate for individuals, most individuals are required to obtain healthcare insurance as of January 1, 2014. The Health Insurance Marketplace and an employer mandate have been established to assist individuals in meeting the new requirement for healthcare coverage.

Q: What is the mandate for individuals?

A: Beginning January 1, 2014, most individuals who do not maintain "minimum essential" healthcare coverage must make a penalty payment to the IRS when they pay their taxes each tax year. The 2014 tax penalty will be \$95 per adult (\$47.50 per child) or 1% of their income, whichever is greater. Penalties assessed will increase each tax year. However, a penalty will not be imposed on those persons who are without coverage for less than three months during the tax year. Exemptions to the tax penalty may apply (reference: www.healthcare.gov).

Q: Does healthcare coverage offered by the University of South Carolina meet the "minimum essential" coverage requirement?

A: Yes, all plans (Standard, Savings, and BlueChoice) offered by the University of South Carolina in 2014 meet the minimum essential coverage requirement. Minimum essential coverage pays at least 60% of the plan's valued coverage. BlueChoice will no longer be offered beginning January 2015.

Q: What is the Health Insurance Marketplace?

A: The Health Insurance Marketplace is designed to help individuals find health insurance that meets their needs and fits their budget. The marketplace offers online "one-stop shopping" to find and compare private health insurance options. Individuals may be eligible for tax credits that lower their monthly premium. However, receiving a tax credit is contingent upon the employees' current coverage not meeting the minimum essential coverage test and not being offered affordable coverage (based on "employee only" premiums

that are over 9.5% of household income based on lowest cost option offered).

Employers were required by the federal government to notify all employees of the availability of the new Health Insurance Marketplace. This notice was sent to all existing employees and should be given to all new employees upon being newly hired into the University.

The Health Insurance Marketplace Notice for new employees may be viewed until March 2014 at:

www.sc.edu/about/offices_and_divisions/human_resources/docs/aca_marketplace_exchange_notice_new_hires.pdf

New Employees must sign the Acknowledgement of Receipt form and give it to their HR contact to include in their hiring packet. The Acknowledgement of Receipt can be viewed at: www.sc.edu/about/offices_and_divisions/human_resources/docs/aca_marketplace_exchange_acknowledgement_of_receipt.pdf

Q: When will the marketplace open and when is coverage available?

A: The marketplace opened October 1, 2013, and the initial enrollment took place up to March 31, 2014. The coverage's effective date depends on the enrollment date. Enrollment in coverage prior to December 15, 2013 should have been effective as of January 1, 2014. Subsequently, open enrollment will be November 15 through February 15 of each year for coverage starting as early as January 1, 2015.

Q: Can I save money on my health insurance premiums by purchasing coverage via the marketplace?

A: You may qualify to save money and lower your monthly premium, but only if your employer does not offer minimum essential coverage with premiums that are affordable (less than 9.5% of your household income based on "employee only" premiums for lowest cost option offered). If you opted for a plan that is not affordable, but other plans were offered that were more affordable, you will not qualify for a tax credit. Any applicable savings on premiums that you are eligible for depends on your household income. If you don't qualify for a tax credit, you may still purchase marketplace coverage at the standard rates.

Q: If I purchase a plan via the Health Insurance Marketplace, what is the impact to any employer-offered coverage?

A: If you purchase a health plan through the marketplace instead of accepting health coverage offered by your employer, then you will lose the employer contribution to the employer-offered coverage. Also, your employee contribution for employer coverage is eligible to be taken on a pre-taxed basis and this ability will be lost. Your payments for coverage through the marketplace are made on an after-tax basis.

Q: How can I contact the Health Insurance Marketplace with questions?

A: You may contact the Health Insurance Marketplace by calling 1-800-318-2596, 24 hours a day, 7 days a week or visiting the website at: www.healthcare.gov.

Q: What is the employer mandate?

A: The employer mandate was initially scheduled for January 1, 2014, but has been delayed by the federal government to now begin January 1, 2015 although this may be subject to further change based on direction from the federal government.

The employer mandate will require employers to offer health coverage to those employees who consistently work 30 or more hours per week and those variable hour employees who average 30 hours or more per week over a one year determined measurement period.

Q: What is the measurement period for variable hour employees?

A: The initial measurement period is October 4, 2013 through October 3, 2014. Those employees qualifying will be notified by early October 2014 to allow enrollment or refusal of coverage during that time if there is no change to the employer mandate implementation date.

The subsequent annual measurement period will consist of the time period of October 4 – October 3 each year. However, new employees that fall within these dates will be assessed a measurement period of one year beginning with the 1st of the month following their start date. If they are determined to be eligible for coverage at that time, coverage will be extended and made effective the 1st of the month following the 30 day

Continued Q: What is the measurement period for variable hour employees?

period after the measurement (Example: Jane is hired 4/15/2014. Her measurement period is 5/1/2014 through 4/30/2015. If eligible and she elects coverage, it will be effective: 6/1/2015).

Q: What type of benefits will the University offer employees who newly fall into this 30 hour category (employees in temporary, non-funded research grant, time-limited positions)?

A: The University's insurance programs through the SC Public Employee Benefit Authority (PEBA) will offer health, dental and vision coverage to qualifying employees. Employees will be allowed to opt in at all coverage levels: employee only, employee/spouse, employee/child and full family.

Q: If I enroll in health insurance through the marketplace, can I arrange for the monthly premium payment to be deducted from my paycheck?

A: No, only premium payments for one of the plans offered through South Carolina PEBA are payroll deducted.

Q: If I enroll in health insurance through the marketplace, will the University pay an employer portion of the monthly premium amount?

A: No, the University is not responsible for paying a portion of the monthly premium payment for health insurance purchased through the marketplace. The institution will continue to pay the employer portion of the monthly premium for eligible employees enrolled in one of the plans offered by South Carolina PEBA.

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