



MICHIGAN ELECTRICAL EMPLOYEES' HEALTH PLAN



September 2013

To all active participants and dependents:

Enclosed you will find a notice describing the new health insurance marketplaces (previously referred to as "exchanges") created as part of the Patient Protection and Affordable Care Act ("ACA" or "Health Care Reform"). The ACA requires that you be provided with this notice, which describes how the marketplaces will work and notes that you may be eligible for premium tax credits to help pay for coverage. The Trustees feel that it is important to provide you with this notice to give you additional information on the marketplaces and how your participation in the Plan impacts these new options.

Most importantly, the Trustees want to assure you that your eligibility for coverage under the Plan is not affected by the existence of such marketplaces. As long as you continue to meet the Plan's eligibility requirements, you will remain eligible for coverage under the Plan.

As described in the notice, the marketplaces are intended to be online exchanges where anyone can shop for, compare, and ultimately purchase health insurance coverage. The marketplace will accept applications for coverage, determine eligibility for premium tax credits, cost sharing reductions, determine Medicaid and CHIP eligibility, and enroll people for coverage.

Your eligibility for Plan coverage generally makes you ineligible for premium tax credits through the marketplace. The coverage provided by the Plan is considered "affordable" and provides "minimum value" under the federal government's guidelines. Because the Plan's coverage is affordable to you and provides minimum value, you will not be eligible to receive any premium tax credits. However, if you must self-pay for coverage because you did not work enough hours for a full contribution on your behalf, the cost of coverage may not be "affordable" to you and you may be eligible for premium tax credits if you choose to enroll in coverage through the marketplace rather than self-pay.

You do not need to purchase coverage through the marketplace. If you are currently enrolled in the Plan, you will continue to receive Plan coverage for as long as you continue to meet the Plan's eligibility requirements.

The Trustees recognize that the ACA is complex and confusing. If you have any questions or if you would like more information to understand the implications of this notice or ACA generally, please contact the Plan Office at the number below.

Sincerely,

Board of Trustees

Michigan Electrical Employees' Health Plan

New Health Insurance Marketplace Coverage Options and Your Health Coverage

PART A: General Information

To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Health Insurance Marketplace and employment-based health coverage offered by your employer. The Marketplace is anticipated to be operational beginning in October 2013.

What is the Health Insurance Marketplace?

The Marketplace offers "one-stop shopping" to find and compare private health insurance options. 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 for a tax credit to lower your monthly premium for Marketplace coverage or for a reduction in certain cost-sharing on coverage purchased through the Marketplace, 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 may be eligible for depends on your household income. However, if you receive a tax credit that you did not qualify for or you receive too much of a tax credit (for example, if your household income was greater than expected), you will be required to pay back some or all of the tax credit.

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 that meets certain standards. If the cost of self-only coverage from your employer 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.¹

What Benefit Does Employer Sponsored Health Coverage Provide?

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. That is, your employer will pay no portion of the cost of coverage you purchase through the Marketplace. 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 Michigan Electrical Employees' Health Plan at 855-633-4854.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹ 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.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about the health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

10. Who can we contact about employee health coverage at this job? The Michigan Electrical Employees' Health Plan at 855-633-4584.

The information below corresponds to the Marketplace Employer Coverage Tool. You may use this information if you decide to complete an application for coverage in the Marketplace. You will not need to ask your employer to complete the Marketplace Employer Coverage Tool.

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:
 - All employees.
 - Some employees. Eligible employees are:
 - For employees covered by a collective bargaining agreement ("CBA") or Non-Bargaining Unit ("NBU") participation agreement: Employees who meet the eligibility conditions in the CBA or NBU participation agreement and in the Michigan Electrical Employees' Health Plan rules and regulations are eligible for coverage. Refer to your summary plan description for more information.
- With respect to dependents:
 - We do offer coverage. Eligible dependents are:
 - For employees covered by a CBA or NBU participation agreement: Eligible employees' dependent children and legal spouse may be eligible for coverage if they meet the definition of dependent and satisfy any applicable eligibility requirements set forth in your summary plan description.
 - We do not offer coverage.

14. Does the employer offer a health plan that meets the minimum value standard*?

- Yes (Go to question 15) No (STOP and return form to employee)

15. For the lowest-cost plan that meets the minimum value standard* offered **only to the employee** (don't include family plans): If the employer has wellness programs, provide the premium that the employee would pay if he/she received the maximum discount for any tobacco cessation programs, and didn't receive any other discounts based on wellness programs.

- a. How much would the employee have to pay in premiums for this plan? \$____. Some employees may be required to self-pay for all or a portion of the cost of coverage. Please refer to your summary plan description for more information.
- b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

- If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable**, based on employee wages.

If the plan year will end soon and you know that the health plans offered will change, go to question 16. If you don't know, STOP and return form to employee.

16. What change will the employer make for the new plan year?

- Employer won't offer health coverage
- Employer will start offering health coverage to employees or change the premium for the lowest-cost plan available only to the employee that meets the minimum value standard.* (Premium should reflect the discount for wellness programs. See question 15.)

a. How much will the employee have to pay in premiums for that plan? \$

b. How often? Weekly Every 2 weeks Twice a month Monthly Quarterly Yearly

Date of change (mm/dd/yyyy):

- * 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 (Section 36B(c)(2)(C)(ii) of the Internal Revenue code of 1986)
- ** Even if your employer intends your coverage to be affordable, you may still be eligible for a tax credit through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a tax credit.