

Notice of Coverage Options Available Through the Health Insurance Exchanges

Article By:

Health Care Industry Practice Group

On May 8, 2013, the U.S. Department of Labor (DOL) published Technical Release No. 2013-02, which provides temporary guidance addressing the **Patient Protection and Affordable Care Act's (ACA)** required notice to employees regarding their coverage options under state and federally facilitated health insurance exchanges (Exchanges).

As part of the ACA, an applicable employer was required to provide each employee at the time of hiring (or with respect to current employees, not later than October 1, 2013), a written notice:

- Informing the employee of the existence of the Exchanges, including a description of the services provided by the Exchanges and the manner in which the employee may contact the Exchanges to request assistance
- If the employer's plan's share of the total allowed costs of benefits provided under the plan is less than 60 percent of such costs, that the employee may be eligible for a premium tax credit under section 36B of the Internal Revenue Code (the Code) if the employee purchases a qualified health plan through an Exchange
- If the employee purchases a qualified health plan through an Exchange, that the employee may lose the employer contribution (if any) to any health benefits plan offered by the employer and that all or a portion of such contribution may be excludable from income for federal income tax purposes

FAQs about ACA Implementation Part XI published in January of this year pushed back the timing for distribution of these notices until late summer or fall of 2013. This new technical release provides guidance on the notice requirement, but more importantly model notices.

The following are links to the DOL model notices:

- [Model notice for employers who offer a health plan to some or all employees](#)
- [Model notice for employers who do not offer a health plan](#)

- [COBRA model election notice](#) (Adobe PDF format)
- [COBRA model election notice redline version](#) (Adobe PDF format)

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