

**Dear Federal Employees:**

The Patient Protection and Affordable Care Act, Public Law 111-148 and the Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (collectively, the Affordable Care Act) establishes the Health Insurance Marketplace under Section 1311(b).

Section 1512 of the Affordable Care Act created a new Fair Labor Standards Act (FLSA) section 18B requiring a notice from employers to their employees about coverage options available through the Health Insurance Marketplace. This includes your Federal agency employing office. You are receiving this notice from your employing office because it is required by the aforementioned law.

**The Health Insurance Marketplace does not affect the FEHB Program.**

If you are ineligible to enroll in the FEHB Program or if you are eligible to enroll in the FEHB Program but you are not enrolled due to affordability issues or concerns or if you are enrolled in the FEHB Program and have affordability issues or concerns, then you may wish to visit the health insurance marketplace to review marketplace coverage options at [www.healthcare.gov](http://www.healthcare.gov). Please be aware that there is no government or employer contribution to the premiums for Health Insurance Marketplace plans. Also, premiums are paid on an after-tax basis for Health Insurance Marketplace plans.

The attached notice entitled “New Health Insurance Marketplace Coverage Options and Your Health Coverage” provides general information about the new Health Insurance Marketplace.

The Affordable Care Act establishes a minimum value standard of benefits for employer- sponsored health plans. All health plans in the FEHB Program are eligible employer-sponsored health plans. 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. Therefore, the minimum value standard is 60% (actuarial value). The health coverage of all the plans in the FEHB Program meets the Affordable Care Act's minimum value standard for the benefits that each FEHB plan provides.

As a comparison point, the actuarial value of most FEHB plans meets or exceeds the actuarial value of the silver plan in the health insurance marketplace.

If you are a Federal employee who is eligible to enroll in the FEHB Program but you do not enroll or if you cancel your FEHB enrollment, you should be aware of the consequences of such actions including the following but not limited to:

- If you die, you will not have an FEHB Self and Family enrollment for your survivors to continue, even if they are eligible for a survivor annuity.
- If you retire, you will not have an FEHB enrollment to continue into retirement. Also, to be eligible to continue FEHB coverage after retirement, a retiring employee must be enrolled or covered under the FEHB Program for the five years of service immediately before retirement, or, if less than five years, for all service since the first opportunity to enroll. Employees can count their coverage under TRICARE toward meeting this requirement. However, the employee must be enrolled in an FEHB health plan on the date of retirement to continue coverage.

For more information about your FEHB health insurance coverage, please visit [www.opm.gov/insure](http://www.opm.gov/insure) or contact your human resources office. If your office does not have human resources office and you do not know who to contact, please go to <http://apps.opm.gov/abo/> where you will find a list of agencies and their Headquarters Benefits Officers.

I acknowledge receipt of this letter.

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( PRINT NAME )

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( SIGNATURE & DATE )

# New Health Insurance Marketplace Coverage Options and Your Health Coverage

## General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment based health coverage offered by your employer.

## What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. 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 to save money and lower your monthly premium, 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're eligible for depends on your household income.

## 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 to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) 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.<sup>1</sup>

Even if your employer intends your coverage to be affordable, you may still 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. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. 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 FEHB health insurance coverage offered by your employer, please visit [www.opm.gov/insure](http://www.opm.gov/insure) or contact your human resources office.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit [www.healthcare.gov](http://www.healthcare.gov) for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

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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.