



Affordable Care Act

FAQs for Small Businesses

Q: I understand I am required to give my employees a Notice of Coverage Options by October 1, 2013. Why do I need to do this?

A: The objective is to simply inform your employees of the existence of the Healthcare Marketplace, available coverage options and potential insurance premium tax credits.

Q. Do I have to notify all of my employees?

A: Yes. Employers must provide a Notice of Coverage Options to each employee, regardless of plan enrollment status (if applicable) or of part-time or full-time status.

Q: How do I create this notice?

A: For your convenience, ADP has created sample Notice of Coverage Options letters that you can download and distribute to your employees. There are three versions to choose from, depending on whether you provide insurance for your employees and the type of insurance you offer. These letters are available in the RUN Powered by ADP® Support Center and on our website at:

www.adp.com/ACACoverageoptions

Q: What is the marketplace?

A: Beginning October 1, 2013, individuals and employees will have access to enroll in affordable coverage through a new competitive private health insurance market – the Health Insurance Marketplace (also referred to in the statute as the Exchange). The Marketplace offers the opportunity to find and compare private health insurance options. Coverage through the Marketplace will be effective as early as January 1, 2014.



Q: Does every state have a marketplace?

A: Not every state has a marketplace; however, everyone will have access to a marketplace. Several states and the District of Columbia have been conditionally approved by the federal government to build a Marketplace that is state run. Other states will operate their Marketplace in conjunction with the Federal Government or the Marketplace will be managed completely by the federal government. See www.healthcare.gov to locate the Marketplace in your state.

Q: What services will be provided by the marketplace?

A: The Marketplace is designed to help individuals find health insurance that meets their needs and fits their budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. Individuals may also be eligible for a new kind of tax credit that lowers monthly premiums right away.

Q: Will I face a penalty or fine if I fail to give my employees notice about the Affordable Care Act's new Health Insurance Marketplace?

A: There is no penalty or fine under the law for failing to provide the notice. If your company is covered by the Fair Labor Standards Act, it should provide a written notice to its employees about the Health Insurance Marketplace by October 1, 2013.

Q: What if I hire someone after October 1, 2013?

A: Employers are required to provide the notice to each new employee at the time of hire beginning October 1, 2013. The Department of Labor considers a notice to be provided at the time of hire if the notice is provided within 14 days of an employee's start date.