



July 1, 2016

Dear Employee,

Enclosed is a Notice entitled "New Health Insurance Marketplace Coverage Options and Your Health Coverage." The health care reform law known as the Affordable Care Act ("ACA") requires that employers provide this Notice to all new employees within 14 days of hire. The Notice provides information about the new Health Insurance Marketplace ("Marketplace"), as well as information regarding the health coverage offered by the State of Delaware ("the State").

The ACA is requiring that these Notices be provided as most people are required to have health insurance; if not, they will pay a tax penalty. This is known as the "individual mandate." Your health insurance coverage can come from your (or your spouse's) employment, through a policy you buy on the Marketplace, or through a government-sponsored program like Medicare or Medicaid.

As a full time employee, you are eligible to participate in the State's Group Health Insurance Program ("the Plan"), and therefore do not need to shop for different or additional insurance through the Marketplace. The State's coverage meets the individual mandate standard, and is expected to be a better value than Marketplace coverage.

Here is how the Plan measures up under ACA criteria for determining whether a plan's coverage is adequate and affordable for its participants:

- In general, coverage is considered "minimum value" under ACA if the benefits the plan provides cover at least 60% of eligible expenses. The Plan's medical plans meet the ACA minimum value standard.
- In general, coverage is considered "affordable" under the ACA if the premium cost for participant-only coverage is not more than 9.66% of your household income. (This percentage is for plan years beginning in 2016). For example, if your household income (including your wages) is \$40,000, your coverage would be considered affordable if your employee-only coverage does not cost you more than \$3,800 a year. The Plan's coverage is designed to be affordable.

The Notice mentions that you may be eligible for federal premium subsidies if you purchase coverage on the Marketplace, and that, if you do purchase a Marketplace plan, you may lose your employer contribution (if any) to the plan. Because the Plan meets the minimum value standard, you and your eligible family members would not qualify for a premium assistance tax credit to buy coverage through the Marketplace (if otherwise eligible based on your income and other factors) unless the Plan's required contribution for self-only coverage made the coverage unaffordable.

We encourage you to contact the Statewide Benefits Office if you have questions about the information in this letter or the enclosed Notice. You can call 1-800-489-8933 or go to the Statewide Benefits Office's website at www.ben.omb.delaware.gov. You can also go to the State of Delaware website, www.ChooseHealthDE.com or the federal government's website, www.HealthCare.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Brenda L. Lakeman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brenda L. Lakeman
Director, Human Resource Management and Benefits

Enclosure

New Health Insurance Marketplace Coverage Options and Your Health Coverage

PART A: General Information

Key parts of the health care law are effective in 2014 and there is 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.

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. 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.

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 coverage offered by your employer, please check your summary plan description, contact the Statewide Benefits Office at 1-800-489-8933 or go to the Statewide Benefits Office's website at www.ben.omb.delaware.gov.

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.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any 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.

3. Employer name State of Delaware		4. Employer Identification Number (EIN) 516000279	
5. Employer address 500 W. Loockerman St., Suite 320		6. Employer phone number 1-800-489-8933	
7. City Dover	8. State DE	9. ZIP code 19904	
10. Who can we contact about employee health coverage at this job? Statewide Benefits Office			
11. Phone number (if different from above) 1-800-489-8933		12. Email address benefits@state.de.us	

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: All full-time, part-time, and limited term employees who meet the requirements for eligibility.
- With respect to dependents:
 - We do offer coverage. Eligible dependents are: Spouses and dependent children (to age 26) who meet the requirements for eligibility.
 - We do not offer coverage.
- 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.

** 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), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.