



W68 N611 Evergreen Boulevard
Cedarburg, Wisconsin 53012
Phone: 262.376.6100 FAX: 262.376.6110
Web site: www.cedarburg.k12.wi.us

To: All Employees

From: Cedarburg School District

Date: 9/23/13

Re: Affordable Care Act (ACA) Health Insurance Marketplace Notice

As you may be aware, the Affordable Care Act (ACA) was enacted into law on March 30, 2010. Various provisions of the law have gone into effect since that time with additional provisions going into effect in 2014. One of the key components of the law taking effect in 2014 is the ability to buy health insurance on the new Health Insurance Marketplace (formerly referred to as the Exchange).

As required by the ACA, attached is a notice about the new government Health Insurance Marketplace that is effective January 1, 2014 with enrollments beginning October 1, 2013. We want to highlight some key points about the notice:

- The intent of the notice is to inform individuals that there is a new online way to locate, compare and purchase health insurance.
- For individuals that are not offered "affordable" health coverage, or if health coverage does not meet the "minimum value" standard set by the law, they may be eligible for a subsidy that lowers their monthly premium.

For those of you eligible for the Cedarburg School District health plan(s), we believe that the coverage is affordable, meaning that your contribution for single coverage (for at least one of our health plans) is less than 9.5 percent of your household income. In addition, the Cedarburg School District plan also meets the "minimum value" coverage that is defined under ACA, therefore the federal government will not provide subsidy to you and your family.

A few things you should know in the event you choose to purchase a health plan through the marketplace instead of accepting health coverage offered by Cedarburg School District:

- You will lose the district's contribution (if you are eligible) to the district health plan
- The cost of coverage through the marketplace is often excluded from income for federal and state income tax purposes. That means your payments for coverage through the marketplace are made on an after-tax basis.

The ACA includes an Individual Mandate that states individuals are required to have health coverage or pay a penalty. In 2014, the penalty will be the greater of \$95 or one percent of household income. The tax rises to the greater of \$695 or 2.5 percent of household income by 2016.

We encourage you to review this information and to be a smart health care consumer. If you are enrolled in the Cedarburg School District health insurance plan you are not required to do anything differently than you have in the past. Health insurance is a key component of Cedarburg School District's benefits package and we encourage you to stay informed on our plans as well as what is happening with the Affordable Care Act.