

Health Reform

Exchange Notice Penalty

Tom Bracelin | | (717) 354-4774 | tbracelin@millig.com



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There have been many questions regarding whether employers can be penalized for failing to provide employers with the Exchange Notice, due by October 1, 2013. On September 11, 2013, the U.S. Department of Labor issued an FAQ regarding the Exchange Notice. The DOL has provided that while employers covered by the Fair Labor Standards Act should provide the Exchange Notice by October 1, there is no fine or penalty under the law for failing to provide the notice.

The FAQ also states that the Notice must include information:

- About the Exchange (now known as the Marketplace);
- That depending on their income and what coverage may be offered by the employer, they may be able to get lower cost private insurance in the Marketplace; and
- That if they buy insurance through the Marketplace, they may lose the employer contribution (if any) to their health benefits.

It is important to note that whether the coverage meets minimum value is not required.

There are two model notices for employers to utilize: one for employers who do not offer a health plan and another for employers who offer a health plan or some or all employees. You can find the model notices on the following website:

<http://www.dol.gov/ebsa/healthreform/index.html>