

EMPLOYEE BENEFITS

- 1. REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) procedures on employee benefits.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook contains mandatory procedures on employee benefits. This revision contains procedures on complying with the Affordable Care Act (ACA) and providing the ACA Marketplace Notice to new employees. Part III and related appendices have been added. This change will be incorporated into the electronic version of VA Handbook 5009 that is maintained on the [Office of Human Resources Management Web site](#).
- 3. RESPONSIBLE OFFICE:** Worklife and Benefits Service (058), Office of the Deputy Assistant Secretary for Human Resources Management.
- 4. RELATED DIRECTIVE:** VA Directive 5009, Employee Benefits.
- 5. RESCISSIONS:** None.

CERTIFIED BY:

/s/
Stephen W. Warren
Executive in Charge and Chief Information Officer
Office of Information and Technology

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

/s/
Gina S. Farrissee
Assistant Secretary for
Human Resources and Administration

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BENEFITS

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EMPLOYEE BENEFITS

PART III. AFFORDABLE CARE ACT AND HEALTH INSURANCE MARKETPLACE
NOTICE

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**[PART III. AFFORDABLE CARE ACT AND HEALTH INSURANCE
MARKETPLACE NOTICE**

1. PURPOSE. This part establishes the Department of Veterans Affairs (VA) procedures on complying with the Affordable Care Act (ACA) and providing the ACA Marketplace Notice to new employees.

2. RESPONSIBILITIES

a. The Assistant Secretary of Human Resources and Administration is responsible for providing Human Resources professionals with a standard employee cover letter and Marketplace Notice to be included in new employee orientation materials.

b. The Director, Worklife and Benefits Service, Office of Human Resources Management, is responsible for monitoring Office of Personnel Management (OPM) guidance on the ACA and providing guidance to VA Human Resources Officers on any updates or changes to the Marketplace Notice.

c. VA Human Resources Officers are responsible for providing the employee cover letter and Marketplace Notice to new employees within 14 days of their start date.

3. AFFORDABLE CARE ACT AND THE MARKETPLACE NOTICE. The Affordable Care Act includes an individual shared responsibility provision that requires all individuals to enroll in an insurance program that provides minimal essential coverage (MEC), qualify for an exception to this requirement or pay a fee when they file taxes. Part of this provision requires that all employers, including federal agencies, provide employees with a Health Insurance Marketplace Notice. This Marketplace Notice provides information to employees on the MEC requirement and information on state mandated health insurance exchanges, called Marketplaces, where employees may opt to purchase insurance through instead of enrolling through their employer.

4. REFERENCES

a. The Health Care Education and Reconciliation Act of 2010, Public Law 111-152

b. The Patient Protection and Affordable Care Act, Public Law 111-148 (2010)

c. OPM Benefits Administration Letter 13-205, “Federal Employees Health Benefits (FEHB) Program and the Individual Shared Responsibility Provision of the Affordable Care Act: The Requirement to Maintain “Minimum Essential Coverage”

d. OPM Benefits Administration Letter 13-206, “Federal Employees Health Benefits (FEHB) Program and the Affordable Care Act”]

[APPENDIX A. SAMPLE MEMORANDUM TO ALL NEW EMPLOYEES
REGARDING THE AFFORDABLE CARE ACT

Department of
Veterans Affairs

Memorandum

Date:

From: Human Resources Officer () identify mail code

Subj: The Affordable Care Act and Marketplace Notice

To: New VA Employees

1. 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 referred to as the Affordable Care Act, or ACA), was created to expand access to affordable health care coverage, control health care costs, and improve health care quality and care coordination.
2. Under the Affordable Care Act you must:
 - a. Have health coverage that meets a minimum standard (called "minimum essential coverage") by January 1, 2014;
 - b. Qualify for an exemption; or
 - c. Make a payment when filing taxes if you have affordable options but remain uninsured.
3. If you have health care coverage through the Federal Employees Health Benefits (FEHB) Program or are enrolled in a VA health care program, you meet the Affordable Care Act coverage standards. If you already have coverage through another Government health plan including TRICARE, Medicare, or Medicaid or are insured through a private health insurance plan, then you must contact them directly to confirm that they meet coverage standards.
4. The Affordable Care Act also established the Health Insurance Marketplace under Section 1311(b) as a way for individuals to find health coverage. Section 1512 of the Affordable Care Act created a new Fair Labor Standards Act section 188 requiring a notice from employers to their employees about coverage options available through the Health Insurance Marketplace. You are receiving this notice because it is required by the aforementioned law. If you are ineligible to enroll in the FEHB Program; if you are eligible to enroll in the FEHB Program but 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.
5. Please be aware that the Department of Veteran Affairs will make no contributions 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 titled "Health Insurance Marketplace Notice" provides general information about the new Health Insurance Marketplace.

PART III

APPENDIX A

6. The Affordable Care Act established 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 percent (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 meet or exceed the actuarial value of the silver plan in the Health Insurance Marketplace.

7. 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. For example, 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 5 years of service immediately before retirement, or, if less than 5 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.

8. For more information about your FEHB health insurance coverage, please visit www.opm.gov/insure, contact your servicing Human Resources office, visit the VA Office of Human Resources Management benefits Web page at <http://vaww.va.gov/OHRM/Benefits/Benefits.htm>, or visit the VA Office of Human Resources Management Affordable Care Act Web page at <http://vaww.va.gov/OHRM/Benefits/ACA.asp>.

Name of Agency HR Officer

Attachment

Health Insurance Marketplace Notice]

[APPENDIX B. HEALTH INSURANCE MARKETPLACE NOTICE

General Notice Regarding the New Health Insurance Marketplace Coverage Options and Your Health Coverage

General Information

This notice provides basic information about the Health Insurance Marketplace created by the Affordable Care Act and coverage options available through the Marketplace. This information is intended to help you evaluate options for you and your family.

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 the Marketplace will take place yearly in the fall for coverage to become effective the next year. Refer to the www.HealthCare.gov website for the actual Open Enrollment dates and effective date.

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 the 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.¹

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.

PART III

APPENDIX B

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 or contact your servicing 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 for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹An 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.]