



August 1, 2013

## UMC Local Churches—Required Notification to All Employees (per Affordable Care Act)

Local churches and other salary-paying units (SPUs) in The United Methodist Church (UMC), as employers, need to understand an important employee notice requirement (Notice) this year under the Patient Protection and Affordable Care Act (ACA), the national health care reform law. This summary is intended to help local churches and SPUs understand their responsibilities with respect to this Notice requirement.

### Timing of Notice to Employees

Employers **must provide this Notice** to all current employees before **October 1, 2013 (regardless of whether you offer a health plan to your employees or not)**. This date is also the first day of open enrollment for the Health Insurance Marketplaces, also called “Exchanges” (for coverage to begin January 1, 2014). For employees hired between October 1, 2013, and December 31, 2013, the Notice must be provided on the employee start date. For employees hired on or after January 1, 2014, the Notice must be provided within 14 days of hire.

- **Affected Employers:** With very few exceptions<sup>1</sup>, all employers, including tax-exempt employers and employers with fewer than 50 full-time equivalent employees, are required to provide this Notice. This means that even an employer that is not subject to the ACA’s Employer Shared Responsibility Rule must provide this Notice to all employees. *Local churches should assume the Notice requirement applies to them and should deliver the Notice to all employees, including appointed clergy.*
- **Applicable Employees:** The Notice must be provided to **all** active part-time employees and full-time employees regardless of whether the employer offers a health plan or whether the employees are covered under the employer’s health plan (if any). Employers are not required to provide a separate Notice to independent contractors, dependents or other individuals who are or may become eligible for coverage under the health plan but who are not employees.

### Delivery of Notice

The Notice must be provided in writing and may be delivered through first-class mail, or through electronic delivery (e.g., via e-mail, assuming that the employee has consented to the electronic disclosure, or the employee’s access to the employer’s electronic information system is an integral part of the employee’s duties). **Note:** Posting the Notice in the employer’s website or an on-site bulletin board does *not* satisfy the requirement.

### Content of Notice

The Notice must describe certain information [as outlined in two template Notice forms published by the U.S. Department of Labor (DOL)], including an explanation of the Marketplace, the impact of employer coverage, the tax implications if insurance is purchased in the Marketplace and Marketplace contact information.

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<sup>1</sup> Only employers that are completely exempt from the Fair Labor Standards Act (FLSA, the federal wage and hour law) are exempt from this Notice requirement. The U.S. Department of Labor’s Wage and Hour Division has an Internet FLSA compliance assistance tool. See [www.dol.gov/elaws/esa/flsa/scope/screen24.asp](http://www.dol.gov/elaws/esa/flsa/scope/screen24.asp).

## Format of Notice

To assist employers with providing this Notice, the DOL has released two template forms entitled *New Health Insurance Marketplace Coverage Options and Your Health Coverage*:

- **Notice for employers that offer a health plan to some or all of its employees:** available [here](#) or online at [www.dol.gov/ebsa/pdf/FLSAwithplans.pdf](http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf).
  - An MS Word version is available [here](#) ([www.dol.gov/ebsa/FLSAwithplans.doc](http://www.dol.gov/ebsa/FLSAwithplans.doc)).
  - A Spanish version is available [here](#) ([www.dol.gov/ebsa/pdf/FLSAwithplanssp.pdf](http://www.dol.gov/ebsa/pdf/FLSAwithplanssp.pdf)).
- **Notice for employers that do not offer a health plan:** available [here](#) or online at [www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf](http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf).
  - An MS Word version is available [here](#) ([www.dol.gov/ebsa/FLSAwithoutplans.doc](http://www.dol.gov/ebsa/FLSAwithoutplans.doc)).
  - A Spanish version is available [here](#) ([www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf](http://www.dol.gov/ebsa/pdf/FLSAwithoutplanssp.pdf)).

Local churches and SPUs should choose the template Notice most applicable to their circumstance; e.g., a church that offers coverage to the pastor through its annual conference, even if it does not offer coverage to lay employees, and even if the pastor declines coverage, should use the Notice for an employer who offers coverage to some employees. These templates are safe harbors for employers to use; however, employers can choose to modify the Notice if they wish.

## Customizing the Notice

Employers will need to complete the template forms by adding certain information about the employer and its health plan, if any. The General Board of Pension and Health Benefits has created a [help sheet](#) for completing the template forms (available at [www.gbophb.org](http://www.gbophb.org), browse through **Health Care Reform**).

## More About the ACA Marketplace and Other ACA Requirements

The Center for Health monitors the ACA and provides applicable information for annual conferences, local churches and other UMC employers, as well as information for individuals. However, your conference office should be your first point of contact for more detailed information about Notice requirements. We encourage you to check the Center for Health's [health care reform web page](#) frequently for general updates ([www.gbophb.org](http://www.gbophb.org), search under **Health Care Reform**).

## Questions and Information

If you have questions or would like additional information, please send your inquiries to [healthcarereform@gbophb.org](mailto:healthcarereform@gbophb.org). General information about health care reform is available from the federal government at [www.healthcare.gov](http://www.healthcare.gov).

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