

# School Town of Speedway

## New Health Insurance Marketplace Coverage Options and Your Health Coverage

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### General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: *the Health Insurance Marketplace* (the "Marketplace"). To assist you as you evaluate options for you and your family, this notice provides some basic information about (1) the new Marketplace and (2) the health insurance coverage offered by the School Town of Speedway ("Speedway").

#### What is the Health Insurance Marketplace?

In general, the Marketplace is designed to help individuals who do not have access to employer-sponsored health coverage that is both affordable and provides minimum value.<sup>1</sup> For such individuals, the Marketplace offers "one-stop shopping" to compare private health insurance options. Open enrollment for coverage offered through the Marketplace begins October 1, 2013 for coverage starting as early as January 1, 2014.

#### Can I Save Money on my Health Insurance Premiums in the Marketplace?

As described below, certain Speedway employees may be eligible for a new tax credit which will immediately lower their monthly premium for coverage purchased through the Marketplace. *In general, a Speedway employee will qualify for reduced premiums for coverage purchased through the Marketplace if (1) the employee is ineligible for coverage provided by Speedway, or (2) with respect to "eligible employees" (i.e., those employees employed 260 days/year and 35+ hours/week), the coverage Speedway does provide fails to satisfy certain "minimum value" or "affordability" standards (described below).* The amount of premium savings, if any, will depend on an employee's (or family's) W-2 income.

#### Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Because Speedway's health coverage satisfies the minimum value standard, an eligible employee will only be entitled to premium savings through the Exchange if the employee's required contribution for self-only coverage offered by Speedway exceeds 9.5% of the employee's W-2 income. On the other hand, if the eligible employee's required contribution does not exceed 9.5% of W-2 income and the eligible employee nonetheless decides to purchase coverage through the Marketplace, the eligible employee will **not** receive any premium savings because the Speedway coverage is both affordable and provides minimum value.

**Note:** If an eligible employee elects to purchase health coverage through the Marketplace instead of accepting Speedway coverage, the employee will forfeit the contribution which Speedway contributes toward coverage. In addition, contributions paid by eligible employees for coverage are generally excluded for federal and state income tax purposes (i.e., made on a *pre-tax* basis). However, to the extent an eligible employee elects to purchase health coverage through the Marketplace, all payments for such coverage will be paid on an *after-tax* basis.

**Note:** *In general, any Speedway employees that is not eligible for health coverage offered by Speedway will qualify for premium tax savings for coverage purchased in the Marketplace.*

#### How Can I Get More Information?

For more information about health coverage offered by Speedway, please contact Ken Hull at (317) 244-0236.

For more information regarding the Marketplace, including an online application for health insurance coverage and contact information for a Marketplace in your area, please visit **[HealthCare.gov](http://HealthCare.gov)**.

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<sup>1</sup> 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 (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986).