



CARPENTERS TRUSTS

of Western Washington

Health and Security Retirement Vacation Industry Fund

IMPORTANT ACA REQUIREMENT – PLEASE READ

To: Participating Employers
 Carpenters Health and Security Trust of Western Washington

From: Board of Trustees
 Carpenters Health and Security Trust of Western Washington

Re: Your Obligation Under the Affordable Care Act to Notify Employees
 of the New Health Insurance Marketplace Coverage Options

Date: August 19, 2013

Background

The Affordable Care Act (“ACA”) requires employers to provide a Notice to employees regarding their current health plan coverage and the availability of insurance coverage through the Health Insurance Marketplace (commonly referred to as the “Exchange”). The Board of Trustees of the **Carpenters Health and Security Trust of Western Washington** (“Trust”) is providing answers to the following Frequently Asked Questions (“FAQs”) to assist you in preparing the Notice for those employees who participate in the Carpenters Health and Security Plan. You may also want to contact your attorney or consultant for additional assistance, particularly if you provide coverage to employees who participate in other health plans.

The following information may be helpful as you prepare this Notice for your employees:

- This memorandum provides recommended answers to the questions on pages one and two of the Notice for your employees who participate in the Carpenters Health and Security Plan of Western Washington. The recommended answers are also inserted on pages one and two of the enclosed model Notice (“New Health Insurance Marketplace Coverage Options and Your Health Coverage”). This Notice, including where to access an electronic version online, is discussed in FAQ 5 below.
- You are *not* required to complete page three of the Notice. A discussion of page three is in FAQ 12 below.
- If you have employees from different trades, covered under different plans, you can use a single Notice for all employees. FAQ 6 below discusses how a single Notice can accommodate this requirement.

You must provide a Notice to all current employees by October 1, 2013. If you need assistance with this Notice for your employees covered under the Carpenters Health and Security Plan of Western Washington, please contact Participant Services at Carpenters Trusts in Seattle at: (206) 441-6514.

Frequently Asked Questions

1. Is My Business Subject to this Notice Requirement?

It is expected that most employers will be subject to the Notice requirement. All employers subject to the Fair Labor Standards Act (“FLSA”) must provide the required Notice. Employers subject to the FLSA are those that satisfy the following three requirements: (1) have at least one employee; (2) are engaged in interstate commerce; and (3) have at least \$500,000 annual dollar volume.

2. To Whom Must I Provide the Notice?

The Notice must be provided to all full-time and part-time employees *regardless of whether the employee is enrolled in a plan*. The Notice need only be provided to employees, not dependents.

3. When Does the Notice Have to Be Provided?

The Notice must be provided to current employees *by October 1, 2013*. The timing is designed to coincide with the beginning of open enrollment in the Exchange. Commencing October 1, 2013, you must also provide the Notice to new employees within 14 days of their start date.

4. How Do I Provide the Notice?

The Notice must be provided in writing free of charge by first class mail. Alternatively, if you comply with Department of Labor rules (29 CFR 2520.104b-1(c)), the Notice may be provided electronically. Generally, Notices may only be distributed electronically if an employee consented to receiving information in that format, unless the employee can access electronic documents at work and provided further that the employee must access the employer’s or a plan sponsor’s electronic information system in order to perform his or her job. The Notice can be provided along with other material.

5. Is There a Model Notice?

Yes, the Department of Labor has developed two model Notices for use by employers. One Notice is for your employees who are provided health coverage and one is for your employees who are *not* provided health coverage.

Attached to this notice is a hard copy of the model Notice that you may use for employees who are provided coverage, such as those participating in the Carpenters Health and Security Plan. An electronic version of this model Notice is available at: <http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>. You can complete and print this Notice online but the information you type cannot be saved online.

6. Am I Required to Provide Separate Notices for Each Health Plan that Covers My Employees?

You are required to provide a Notice to all employees but you are not required to provide separate Notices for each health plan covering your employees. However, if you provide one Notice and you have employees participating in various health plans, all relevant information for *each* health plan must be included.

For example, if you contribute to two health plans for different groups of employees, you may indicate in Part B of the model Notice that coverage is offered to “Some Employees” and separately identify each plan as follows:

For employees covered in Health Plan No. 1, eligible employees are. . .

For employees covered in Health Plan No. 2, eligible employees are. . .

As described in FAQ 5, there is a separate model Notice for employers to use if they do not offer health coverage to employees. It is available at: <http://www.dol.gov/ebsa/pdf/FLSAwithoutplans.pdf>.

7. Can a Third-Party or the Trust Provide the Notice?

There is no rule prohibiting an employer from contracting with a third-party to provide the Notice on the employer's behalf. In order to do so the employer would have to timely provide the third-party with contact information for *all* of the employer's employees (including those not enrolled in the Carpenters Health and Security Plan) and the employer's contact information (name, address, EIN and telephone number).

The Trust will not be sending the Notice to employees on behalf of its participating employers for the following reasons: (1) the Notice requires employer-specific information which is not available to the Trust; (2) there are a large number of employers contributing to the Trust, which makes it impractical for the Trust to gather the information and prepare an individualized Notice for each employer; and (3) many contributing employers participate in a multitude of health plans for different classifications of employees. (Please see FAQ 8 for information about referring participants to Carpenters Trusts for plan information.)

8. Questions 10, 11 and 12 in Part B of the Notice Ask for Contact Information. Can I Use the Trust's Contact Information?

Yes. In responding to questions 10, 11, and 12 ("Who can we contact about employee health coverage at this job?"), you may include the Trust's contact information for employees participating in the Carpenters Health and Security Plan. The Trust's contact information is as follows:

Question 10 Carpenters Trusts of Western Washington

Question 11 (800) 552-0635

Question 12 ps@ctww.org

9. Part B of the Notice Asks for a Description of Eligible Employees. Who Are Eligible Employees in the Carpenters Health and Security Plan?

Employee eligibility is described in the Carpenters Health and Security Plan booklet. For example, you might identify the eligible employees in the Trust as follows:

Eligible employees are those covered by a collective bargaining agreement with the Pacific Northwest Regional Council of Carpenters or its affiliated local unions requiring contributions to the Trust. Employees covered by an Associate Agreement between the employer and the Trust are also eligible to participate. Requirements for eligibility are described in the Carpenters Health and Security Plan booklet. To obtain a copy of the plan booklet contact Carpenters Trusts at: (800) 552-0635. The plan booklet is also available online at: <http://www.ctww.org/html/hsspd-000020.htm>.

10. Part B Asks if Dependents Are Covered. Does the Carpenters Health and Security Plan Cover Dependents?

Yes. The Carpenters Health and Security Plan provides dependent coverage. For example, you might respond to this question as follows:

The Trust provides dependent coverage to eligible spouses and dependent children of covered employees. Requirements for dependent coverage are described in the Carpenters Health and Security Plan booklet. To obtain a copy of the plan booklet contact Carpenters Trusts at: (800) 552-0635. The plan booklet is also available online at: <http://www.ctww.org/html/hsspd-000020.htm>.

11. Part B of the Model Notice Asks Whether the Plan Coverage Meets Minimum Value and is Intended to Be Affordable. Does the Carpenters Health and Security Plan Satisfy Those Standards?

Yes. The Trust's actuaries have confirmed that the Carpenters Health and Security Plan's coverage meets the minimum value standard as defined by the ACA. Additionally, the coverage is intended to be affordable because there are no employee contributions set forth in the collective bargaining agreement. However, if the employer has a participation or associate agreement under which employees must pay a share of the cost of coverage, this may impact the affordability of the Trust's coverage. In such cases, the Trust cannot guarantee that coverage is affordable.

12. Am I Required to Complete Page Three of the Model Notice?

No, you are not required to provide the information listed on page three of the model Notice. The information on page three of the model Notice helps an employee understand his or her coverage options. This information may differ for each employee. With question 13, for example, the Carpenters Health and Security Plan uses a dollar bank to determine eligibility. Each employee's eligibility can vary depending on the number of hours worked for you and any other contributing employer. Most employers do not monitor an employee's eligibility on a month-to-month basis. Question 14 asks if the Carpenters Health and Security Plan meets the "minimum value standard." This means the plan pays at least 60 percent of the allowed benefit costs. As discussed in FAQ 11, the plan's coverage meets the minimum value standard. Question 15 is difficult to answer because the Carpenters Health and Security Plan is based on a family rate only. The cost of this coverage without dental and with a two percent limit on administrative costs is \$1,013 per month in 2013. Question 16 does not apply to the Carpenters Health and Security Plan because the changes described in question 16 are not being made to this plan. However, if the Carpenters Health and Security Plan was making the changes described in question 16, completing page three might be helpful for an employee deciding between this plan or one of the plan's offered through the Exchange. Some employees who lose coverage under the Carpenters Health and Security Plan may find a more advantageous option through the Exchange.

13. If I Need Assistance Drafting the Model Notice Who Can I Contact?

If you have any questions regarding the content of this Notice related to your employees that participate in the Carpenters Health and Security Plan of Western Washington, please contact the Participant Services at Carpenters Trusts in Seattle at: (206) 441-6514.