

Pike & Preston

Employee Benefits | Health | Life | Disability

The Power of Partnership



September 16, 2013

We are pleased to announce The Pike & Preston Minute. We will be sending e-mails to clients and friends to update you on information about healthcare reform and other happenings in the Employee Benefits arena.



Employer Notice of Exchange...

On 9/11/13, the DOL issued new guidelines stating that they would not penalize or fine employers for failing to provide the FSLA Exchange Notice. The guidelines did, however, encourage employers to provide the notice.

Small Group or Large Group? Maybe Both...

Some groups may be classified as both a Large Group and a Small Group when looking at the Employer Mandate under PPACA and how the insurance companies will rate the group medical plan.

Under the Employer Mandate, employers must count the number of Full-Time Equivalent (FTE) employees. This is your full-time employees (working 30 or more hours per week) plus the total number of hours worked by your part-time

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employees in a month divided by 120 hours. For example if you have 5 employees who work 20 hours per week (or 80 per month), they would equal 3 part-time FTE (round to the lowest whole digit).

$$\begin{aligned} 5 \times 80 &= 400 \\ 400 / 120 &= 3.3 \end{aligned}$$

You will need to add all your full-time employees and the total number of part-time FTE employees to determine if you have more than 50 FTE employees. If you have more than 50 FTE employees you are classified as a Large Employer for the Employer Mandate.

However, even if you are classified as a Large Employer for the Employer Mandate you still only have to offer medical coverage to your full-time employees working 30 or more hours per week. Therefore for insurance plan rating purposes you could be classified as a Small Employer.

Why do I care if I am a Large Employer or Small Employer...

- Small Employers are not required to offer medical benefits and will not be penalized or fined if they do not offer coverage under the Employer Mandate.
- Large Employers are required to offer medical coverage that meets the minimum essential coverage guidelines and is affordable as defined by PPACA. If a Large Employer does not meet both of these requirements they may be fined, beginning in 2015, if any employees obtain coverage through a State or Federal Exchange and qualify for a premium subsidy.
- Small Employers who do offer coverage may be eligible for Premium Tax Credits (employers with 25 or fewer employees whose average annual income is less than \$50,000). The Small Employer Tax Credit is presently 35% of the employer premium paid and will increase to 50% in 2014. Please be sure and let us know if you qualify for the Small Employer Tax Credit when we start discussing your 2014 renewal.
- Small Employers' medical plans will be subject to Modified Community Rating starting in 2014. Large Employers' group medical plans will still be based on the traditional rating method. This change in rating methods for Small Employers was designed to equalize the premiums charged to all small groups. Young healthy groups will probably see a rate increase; where older less healthy groups will see a smaller increase or maybe even a decrease in premiums.

Please let us know if you need assistance in determining if you are a Large Employer or Small Employer or both.

COBRA Notices have been revised - Is your's up-to-date?

Join Our Mailing List!

Forward to a Friend



The Hagyard Challenge Series

Please join us for a wonderful free family evening of Grand Prix jumping. See riders and horses from all over the world participate in Challenge Series.

**Our final event
is Friday,
September 20th.**

The event will be in the Alltech Arena at the Kentucky Horse Park beginning at 7:00 pm.

Please contact Robin for a General Admission ticket rgall@pikeandpreston.com if you would like to join us.

**Come and join us
for a great family
fun evening!!**

Due to the State and Federal health insurance exchanges COBRA and State Continuation Notices have changed and must be updated. If you self-administer your COBRA or State Continuation administration, you will need to update your notices immediately. [Click Here for Model COBRA Notice.](#)

Pike & Preston has a special agreement with Ceridian COBRA Services to offer our clients special discounted pricing for their COBRA administration. Please contact Robin if you would like to discuss Ceridian or your COBRA administration.

Upcoming Webinars...

Wednesday, September 18th from 1:00 - 2:30 pm EDT - Speakers from the U.S. Department of Labor will provide information on the Notice to Employees of Coverage Options under FSLA 18B and the full implementation of key market reforms for 2014. The Department of Health and Human Services will discuss the new Health Insurance Marketplace and Small Employer SHOP Exchange. [Click Here to Register.](#)

We hope this edition of The Pike & Preston Minute has been helpful. Please let us know if you have a topic you would like discussed or if you would like to schedule a meeting to discuss these or any other topics.

Sincerely,

Robin C. Gall
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