

TILE INDUSTRY TRUST FUNDS

LOCAL # 18

September 16, 2013

TO: Participants of the Tile Industry Health & Welfare Fund (“Fund”)

FROM: The Board of Trustees for the Tile Industry Health & Welfare Fund

RE: Employer Obligation to Notify Employees Regarding Health Care Marketplace

You will soon receive a notice from your employer with the heading **“New Health Insurance Marketplace Coverage Options and Your Health Coverage”**. This notice is required by the Affordable Care Act (“ACA”). It is required to be sent by your employer to its current employees and must be sent by employers to all new hires in the future.

The Notice provides a brief overview of ACA and Health Insurance Marketplaces (formerly referred to as “The Exchanges”). The notice also mentions that you may be eligible for premium subsidies if you purchase coverage on the Marketplace.

The ACA requires that the notice is sent out by employers because starting in January 2014, most people will be required to have health insurance; if not, they will pay a penalty. This is known as the “individual mandate”. Your health insurance coverage can come from your (or your spouse’s) employment, through a policy you buy on your own, or through a government-sponsored program like Medicare and Medicaid.

Fortunately, you don’t need to take any action while you are eligible under the Plan other than to enroll in a medical option. Your coverage under the Fund meets the individual mandate standard.

When you receive the Notice, remember that as an eligible participant in the Fund sponsored coverage, you should not shop for different or additional insurance. And, remember that because the Fund is considered affordable and adequate as defined by ACA, you are not eligible for federal premium subsidies while eligible under the Fund.

Here is how the Fund measures up under ACA criteria for determining whether a plan’s coverage is adequate and affordable for its covered members:

- **The Fund’s coverage is adequate.** In general, your coverage is considered “minimum value” under ACA if the benefits the Plan provides covers at least 60% of eligible expenses. The Fund’s medical plan exceeds the ACA minimum value standard.

TILE INDUSTRY TRUST FUNDS

LOCAL # 18

- **The Fund's coverage is affordable.** In general, your coverage is considered "affordable" under ACA if the premium cost for participant-only coverage is not more than 9.5% of your household income. For example, if your household income (including wages from covered employment) is \$40,000, your coverage would be considered affordable if your participant-only coverage does not cost you more than \$3,800 per year. **Your share of the premium for participant-only Fund coverage when you meet the eligibility rules of the Plan is \$0.00 per year.** Thus, the Fund's benefits are affordable under the standards set through the ACA when you are eligible due to hours worked. Please note that your employer contributions made to the Fund on your behalf are not used to calculate the affordability of your coverage.

It's clear that over the next few months, there will be significant talk about the Health Insurance Marketplaces from insurance companies, on the internet, in social media, on TV, in newspapers, on the radio, and from your friends, neighbors and families.

REMEMBER: In spite of all the "noise", you will hear about the Health Insurance Marketplace, including invitations to consider purchasing Marketplace coverage, **the bottom line is when you are eligible through the Fund's coverage, you satisfy the "you-must-have-coverage" requirement (individual mandate).**

You are encouraged to contact the Administrative Trust Funds Office if you have questions about your benefits through the Fund. You can call 1-877-908-9996 or go to the Fund's website at <http://www.tilelocal18benefits.org>.

You can also go to the federal government's website dedicated to Marketplace information www.healthcare.gov or to www.coverdca.com for information about the Marketplace in California.