

To: All Active Participants and Beneficiaries in the Health and Benefit Trust Fund of the International Union of Operating Engineers Local Union No. 94-94A-94B, AFL-CIO

From: The Plan Administrator of the Health and Benefit Trust Fund of the International Union Operating Engineers Local Union No. 94-94A-94B, AFL-CIO

Re: Notice to Employees of Coverage Options

Date: August 28, 2013

You will soon receive a notice in the mail 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 being sent to all current employees now and will be sent to all new hires in the future.

The Notice provides a summary of the health coverage offered to you and a brief overview of ACA and the Health Insurance Marketplaces. The Notice will include information about shopping for coverage through your state’s Health Insurance Marketplaces (when ACA was first passed, the Marketplaces were called Exchanges). The notice also mentions that you may be eligible for federal premium subsidies if you purchase coverage on the Marketplace, and that, if you do purchase a Marketplace plan, you may lose your employer contribution (if any) to the plan.

When you receive this Notice, remember that as a participant in the Health and Benefit Fund, you do not need to shop for different or additional insurance. And, remember that because our plan is considered affordable and adequate as defined by ACA, you are not eligible for federal premium subsidies. When you receive the Notice, you can file it with your other plan information.

The Affordable Care Act is requiring that these notices be sent out 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 or Medicaid.

Fortunately, you don’t need to take any action. Your coverage under the Health and Benefit Fund meets the individual mandate standard, and is a better value than Marketplace coverage.

Here is a how our plan 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 cover at least 60% of eligible expenses. The Fund’s medical plan exceeds the ACA minimum value standard.
- **For the majority of Plan participants, 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 wages.

For example, if your wages from covered employment are \$40,000, your coverage would be considered affordable if your participant-only coverage does not cost you more than \$3,800 a year. **However, your share of the premium for participant-only coverage is \$0 per year. Thus, the Fund's benefits are affordable under the standards set through ACA.**

It is clear that over the next few months, there will be significant talk about the Health Insurance Marketplace—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’ll hear about the Health Insurance Marketplace, including invitations to consider purchasing Marketplace coverage, **the bottom line is that by participating in the Health and Benefit Fund’s coverage, you satisfy the “you-must-have-coverage” requirement (the individual mandate). What’s more, your Fund-sponsored coverage should be a better deal than the plans offered through the Health Insurance Marketplace.**

We encourage you to contact the Fund Office if you have questions about the information in this letter, the **New Health Insurance Marketplace Coverage Options and Your Health Coverage** Notice, the individual mandate, Health Insurance Marketplaces or anything else. You can call 212-331-1800 or go to our website, www.local94.com. You can also go to the federal government’s website dedicated to Marketplace information, www.healthcare.gov.