

## **The Affordable Care Act (Obamacare) and its effect on UPSEU Members**

In October employers were required to notify all employees about the new online marketplace in accordance with the Affordable Care Act. The marketplace is a tool to assist individuals in the purchase of healthcare insurance. These plans: platinum, gold, silver and bronze can cover between 90% and 60 % of covered services.

New York State offers a variety of plans under the marketplace called "NY State of Health."  
<https://nystateofhealth.ny.gov>

Connecticut health insurance marketplace can be found at  
<http://www.ct.gov/hix/site/default.asp>

### **Full Time UPSEU Members**

Most UPSEU members who have affordable coverage through their employer, do not need to take any action. Most members have lower co-pays and deductibles than the most generous marketplace plans, since members would have to pay 100 percent of the premium themselves on a post tax basis if the employer's plan meets the 60 percent minimum value and 9.5 percent affordability tests.

### **Part Time UPSEU Members**

UPSEU members who are part time, seasonal, or do not have affordable insurance can benefit from the marketplace. There are no pre-existing exclusions and programs such as Child Health Plus, Medicaid and replacement products for Healthy NY and Family Health Plus will be offered through the marketplace. There are specialists called Navigators to help people enroll.

### **Tax Subsidies**

Families with projected household incomes of less than 400 percent of the federal poverty level (\$45,960 for individual or \$94,200 for a family of 4 in 2013) will be eligible for federal tax subsidies on a sliding scale. There are no tax subsidies if the employer's plan covers at least 60 percent of allowed medical expenses and if the member's premium for single coverage for the lowest cost plan is less than 9.5 percent of household income. However, even if a person is not eligible for a tax subsidy, they can still enroll through the marketplace, but pay 100 percent of the health insurance premium.

**Insurance plans for Medicare beneficiaries are not sold in the marketplace.**

For info check [www.medicare.gov](http://www.medicare.gov)

## **Tax Penalties**

People without health insurance in 2014 will pay a tax penalty of \$95 per adult per year or 1% of income whichever is greater. Adult children up to age 26 can be covered under parents plan even if adult child is offered health insurance where they work.

## **Businesses**

There is a small business option "SHOP" where businesses with 2- 50 employees can purchase coverage for their employees on the marketplace.

Large employers do not have to offer coverage to employees but may have to pay a penalty in 2015 if they do not offer coverage to 95% of full time employees who work an average of 30 hours per week.

The ACA has a provision that in 2018 health plans will pay a 40 percent excise tax "Cadillac Tax" on amounts in excess of \$10,200 for individual plans and \$27,500 for family plans. Many employers are using this as a strategy to gain concessions at the bargaining table.

## **Informative Video**

You may view a 7 minute informative video concerning the Affordable Care Act at <http://kff.org/health-reform/video/youtoons-obamacare-video>