

Memorandum 14-011 Fully-Insured Health Plan Proposals Supplemental

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TO: MAYOR WYTHER AND COUNCIL

THROUGH: WALT WREDE

FROM: ANDREA PETERSEN

ORIGINAL DATE: NOVEMBER 13, 2013

AMENDED DATE: JANUARY 13, 2014

SUBJECT: FULLY-INSURED HEALTH PLAN PROPOSALS SUPPLEMENTAL

Affordable Care Act Responsibility and Affordability

“Are the new payroll deductions affordable under the ACA?” Affordability is defined as a full-time employee only coverage payroll deduction of less than 9.5% of compensation. If the employee’s payroll deduction is greater than 9.5% of their income, the Health Plan is deemed unaffordable for that employee. With the current payroll deductions, the Core and Buy-Up Health Plan is affordable for all eligible full-time employees working an average of 40 hours or more per week. This provision pertains to medical only and does not include dental and vision; however, even when the employee only coverage of medical, dental and vision are added the total health care package are still considered affordable under the provision. Employee only medical payroll deductions would have to exceed approximately \$134 per pay period to be classified as unaffordable.

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