



Your Alyeska Benefits and Health Care Reform

Delivering excellence. It's our business focus at Alyeska and it's our commitment to our employees and their families. It's why we provide health benefits that are valuable and sustainable, both for you and for Alyeska.

Alyeska also has an obligation to ensure our benefits remain both compliant and competitive following the passage of the Affordable Care Act. Often called the ACA, or simply health care reform, this law is intended to expand health care access and affordable care to uninsured Americans.

One of the key requirements of the ACA directly affects you next year. Starting in 2014, taxpayers are generally required to purchase health care coverage—through their employers or through the Health Insurance Marketplace—or pay a penalty. At Alyeska, we already offer eligible retired and active employees the opportunity to enroll in health care coverage that satisfies this requirement for individuals and eligible dependents. During Alyeska's annual open enrollment period beginning in December, you'll have the opportunity to review and enroll in the Alyeska benefits available to you.

Beginning October 1, you will also have the option to enroll in health care coverage through the Health Insurance Marketplace rather than through Alyeska. Continue reading for important information about the Marketplace, and what it means for you as an Alyeska employee. To learn more about the Alyeska medical plan, view the current Summary Plan Description (SPD) on the ANET website (Human Resources > Compensation and Benefits > Summary Plan Descriptions (SPD)), or externally, <http://www.alyeska-pipe.com/Connect/Benefits>. If you have specific questions about your Alyeska benefits and/or health care reform, contact Patient Care at 1-877-548-7714.



A Look Beyond Your Alyeska Benefits

The Affordable Care Act (ACA) mandated the establishment of the Health Insurance Marketplace (or exchange), where individuals and small businesses can purchase qualifying insurance. **The ACA requires that employers provide the Health Insurance Marketplace notice on the opposite page to all U.S. employees eligible for benefits.** It is important to understand health care coverage options available to you and the implications of coverage selection.

As you review the notice, keep in mind the following:

- The Alyeska medical plan exceeds the minimum essential coverage and meets and exceeds the **minimum value** standard required by the ACA. This means you will meet your obligation under the **individual mandate** if you enroll in the Alyeska plan for 2014.
- You may choose to enroll in health care coverage in the Marketplace instead of through Alyeska. If you choose coverage through the Marketplace, your premiums will be paid *after taxes*—unlike premiums you pay for Alyeska coverage, which are deducted *before taxes**. Before-tax premiums save you money by reducing your taxable income.
- Eligibility for coverage through an employer’s medical plan—like Alyeska’s—may make you and your dependents ineligible for **premium tax credits** or other certain assistance, even if you choose not to enroll in the Alyeska medical plan.

To learn more about the Marketplace, including whether you qualify for premium tax credits or other financial assistance, visit Healthcare.gov (online chat available) or call **1-800-318-2596** (available 24 hours a day, seven days a week), TTY **1-855-889-4325**.

*Domestic partner premiums are after-tax

KEY TERMS TO KNOW

AFFORDABILITY (or affordable): Some individuals may be eligible for a premium tax credit if they are not eligible for health coverage that is affordable. As defined under the ACA, employer-provided health care coverage is considered “affordable,” for the purpose of the premium tax credit, if an employee must pay less than 9.5 percent of their household income for self-only coverage.

INDIVIDUAL MANDATE (or individual responsibility): The requirement that most people obtain qualifying health insurance coverage or pay a penalty. Premium tax credits are available to some individuals, based on income, to help them afford health care coverage.

MINIMUM VALUE: A standard of benefits, established by the ACA, that a health plan must also provide. The minimum value standard is 60 percent, which means that the health plan will cover 60 percent of the total average costs for covered benefits and participants will be responsible for 40 percent of the costs. However, participants could be responsible for a higher or lower percentage of the total costs of covered services for the year, depending on their actual health care needs and the terms of their insurance policy.

PREMIUM TAX CREDIT: A fixed amount of money, or a designated percentage of the premium, that is provided to help people purchase health insurance through the Health Insurance Marketplace. People offered coverage through an employer are not eligible for premium tax credits, unless:

- The employer-sponsored plan does not meet the minimum value required by the ACA, or
- The person’s share of the premium for employer-sponsored plan exceeds 9.5 percent of income.

Eligibility for coverage through Alyeska’s medical plan means that you (and your eligible dependents) are likely not eligible for premium tax credits or other assistance, even if you choose not to enroll in the Alyeska medical plan.



Health Insurance Marketplace Notice

Important Notice Regarding the New Health Insurance Marketplace Coverage Options and Your Health Plan

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by your employer.

What Is the Health Insurance Marketplace?

The Marketplace is designed to help individuals find health insurance that meets their needs and fits their budget. The Marketplace offers “one-stop shopping” to find and compare private health insurance options. Some individuals may be eligible for a new tax credit that lowers their monthly premiums right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014. To learn more about the Marketplace visit Healthcare.gov (online chat available) or call **1-800-318-2596** (available 24 hours a day, seven days a week), TTY **1-855-889-4325**.

Can I Save Money on My Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer:

- a) does not offer coverage, or
- b) offers coverage that does not meet certain standards.

The savings on your premium that you’re eligible for depends on your household income. Note that if you are a retiree enrolled in employer-provided coverage that meets certain standards, you will not qualify to save money and lower your monthly premium in the Marketplace.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer (if an active employee) or are enrolled in employer-provided coverage (if a retiree) that meets certain standards, you will not be eligible for a tax credit through the Marketplace; in that case you may wish to enroll in your employer’s health plan. However, you may be eligible for a tax credit that lowers your monthly premium or a reduction in certain costsharing if your employer does not offer coverage to you at all or does not offer coverage to you that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5 percent of your household income for the year, or if the coverage your employer provides does not meet the “minimum value” standard set by the Affordable Care Act, you may be eligible for a tax credit.¹

Note: Please be aware that if you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, you may lose the employer’s contribution, if any, to the employer-offered coverage. Also, this employer contribution — as well as your contribution to employer-offered coverage — is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace would be made by you on an after-tax basis.

How Can I Get More Information?

Your Summary Plan Description contains information about your employer’s health coverage. You may also call Patient Care at **1-877-548-7714**. The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Marketplace in your area.

¹ An employer-sponsored health plan meets the “minimum value” standard if the plan’s share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.





First Class
Mail
indicia

ATTN: Alyeska Compensation and Benefits
PO Box 196660, MS536
Anchorage, AK 99519

Name
Address
City, State ZIP

LOOK INSIDE...

Learn about health care reform, Alyeska, and you.

