

Town of Lunenburg

Payroll Department
Nancy O'Rourke
Payroll & Benefits
Coordinator



17 Main Street
P O Box 135
Lunenburg, MA 01462
(978) 582-4134

The Federal Affordable Care Act (ACA) requires the Town/District to provide each of its employees with a formal notice of the health care coverage options that will be available to individuals under the health insurance exchanges that the ACA requires each state to establish. (In Massachusetts, the exchange is known as the Massachusetts Connector.) We have enclosed the required notice.

The Notice provides the information that subsidized coverage may be available to some employees through the Massachusetts Connector. As you will see from the information below, we anticipate few, if any, of our employees who are eligible for participation in the Town's/District's health insurance program will be eligible for subsidized coverage through the Massachusetts Connector.

Employees who are eligible for participation in an employer sponsored health plan that meets the minimum value standard set by the ACA and that is "affordable" to the employee will not be eligible for subsidized coverage through the Exchange. We have been advised that all of the health plans that the Town/District offers satisfy the minimum value standard. The "affordability" of coverage for purposes of the ACA is determined on an employee-by-employee basis, as discussed below.

The health coverage offered to an eligible employee will be affordable if the employee's share of the premium cost for the cheapest individual plan offered by the employer is less than 9.12% of the employee's household income. (The determination is based upon the cost of the lowest priced individual plan offered by the employer even if the employee has family coverage. You will also note that the determination is based upon 9.12% of household income, not 9.12% of the employee's income. Admittedly the formula does not make a lot of sense. However, that's what the law (ACA) provides.)

In the case of our Town/District, the lowest priced individual plan offered by Blue Cross Blue Shield is Select Blue and the monthly premium cost for that plan is \$727.25. As the employee contributes 25% of the premium cost of that plan, the employee's share of the premium cost is \$181.82/month ($\$727.25 \times .25 = \181.82). \$181.82 is 9.12% of \$1,993.64. ($\$181.82 \div .0912 = \$1,993.64$). Thus the Town's coverage will be considered "affordable" for any employee whose monthly household income is greater than \$1,993.64. (The household income of an employee will include the income of an employee's spouse and any dependents who are required to file a tax return).

As you can see, few, if any, of our employees who are eligible for participation in the Town's/District's health insurance program will be eligible for subsidized coverage through the Massachusetts Connector. Nonetheless, we are required by law to provide you with this notice.

We understand that these issues are complicated.
If you have any questions, you may contact Nancy O'Rourke @ 582-4134.