

## Department of Labor Delays Deadline for Certain “Obama Care” Notice Requirements

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January 29, 2013

On January 24, 2013, the Department of Labor issued guidance delaying the deadline for employers to provide employees with notice of coverage options available through the health care exchanges.

Section 18B of the Fair Labor Standards Act, added as part of the Affordable Care Act, requires employers to provide current employees and new hires with written notice by March 1, 2013, of the existence of exchanges, including a description of the exchange’s services and information on how to contact the exchange. Employers are also required to inform their employees that they might qualify for premium tax credits and a cost sharing reduction if the company health plan covers less than 60 percent of costs and the employee purchases a health plan through an exchange. Finally, Section 18B requires employers to advise employees that if they purchase insurance through an exchange, they may lose the employer contribution (if any) to an employer-sponsored health benefits plan and that all or a portion of such contribution may be excludable from income for Federal income tax purposes.

The Department of Labor explained that until regulations are issued and become applicable, employers are not required to comply with Section 18B. It explained that it expects the timing for the distribution of notices to be in late summer or fall of 2013, which will coordinate with the open enrollment period for exchanges. The Department of Labor also noted that it is considering developing model, generic language for employers to use.

**>> Miller Canfield’s Employment + Labor Group** will continue to monitor and provide updates on legislative and regulatory actions associated with the implementation of health care reform.

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