



Breaking Down Your Medical Options

ADP TotalSource®



A more human resource.™

The Affordable Care Act (ACA) has been around for a while now, so you probably know about the individual mandate that says that nearly all Americans must have medical coverage. Anyone who doesn't have medical coverage that meets ACA standards will pay a tax penalty of 2% of pay or \$325 (whichever is greater) for the 2015 tax year...and that penalty goes up to 2.5% of pay or \$695 (whichever is greater) for the 2016 tax year.

Most people get their medical coverage through their employers. But Americans who aren't eligible for job-based coverage have options too. They can get medical coverage through:

- The public Health Insurance Marketplace (also known as the "Marketplace")
- A spouse's or domestic partner's employer
- Medicaid or a state Children's Health Insurance Program (CHIP)
- Medicare
- A previous employer (COBRA continuation coverage)

Medical coverage from any of these sources will satisfy the individual mandate, so you won't be assessed the tax penalty. But knowing which one is right for you can be difficult. And what happens if you've got job-based coverage and your situation changes? For example, your hours are reduced, so you're not eligible for your employer's plan. Or you're planning to retire soon and aren't old enough for Medicare.

Do you know where to go for medical coverage that will protect your health and allow you to avoid the penalty?

Choose what works for your specific situation

Is This You?

You're a part-time or seasonal employee and not eligible for job-based medical coverage

Best Option

- A Marketplace plan, or
- A parent's plan if you're under age 26.

Tips and Hints

- Your income may qualify you for the tax credit to help pay for a Marketplace plan

Learn More About

- The Health Insurance Marketplace at Healthcare.gov or 800-318-2596

More about the Marketplace

Marketplace enrollment for 2016 medical coverage takes place November 1, 2015 through January 31, 2016 with coverage taking effect no earlier than January 1, 2016. If you want to buy coverage through the Marketplace and you do not have access to affordable coverage through your employer, you may be eligible to receive a tax credit to help pay for the cost of the plan.

Is This You?

You and/or your spouse/domestic partner have job-based coverage that satisfies the individual mandate

Best Option

- Employer-provided coverage (yours or your spouse's or domestic partner's), such as the ADP TotalSource® Inc. Health and Welfare Plan

Tips and Hints

- Most employers contribute to the cost of job-based coverage
- You can pay for job-based medical coverage with tax-free dollars
- If your job-based coverage is considered "affordable" by ACA rules, you're not eligible for a government tax credit

Learn More About

- ADP TotalSource benefits at adptotalsource.adp.com and the ADP TotalSource Employee Service Center at 800-554-1802

Is This You?

You're eligible for free or low-cost coverage through your state's Medical program or Children's Health Insurance Program (CHIP)

Best Option

- Your state's Medicaid program or CHIP

Tips and Hints

- You may qualify for Medicaid or CHIP if your annual income is below certain limits, which may vary by state; contact your state's Department of Health to see if you qualify.

Learn More About

- Medicaid at Medicaid.gov or 877-267-2323
- CHIP at insurekidsnow.gov or 877-KIDS-NOW or 877-543-7669

Is This You?

You lose coverage because your employment ends or your hours are reduced

Best Option

- COBRA (coverage maximum of 18 months), or
- A Marketplace plan

Tips and Hints

- To determine your best value, compare the cost of your COBRA coverage with the cost of a similar Marketplace plan
- To view Marketplace alternatives to COBRA go to www.healthcoverageresources.com/ADP/home*

*Marketplace open enrollment is November 1, 2015 to January 31, 2016

Learn More About

- Marketplace alternatives to COBRA by contacting AON Hewitt Customer Service at (844) 607-6367 or eHealth Customer Service at (877) 731-9565

Is This You?

You're planning to retire at age 65 or older

Best Option

- Medicare Part B (medical) or a Medicare Advantage plan, or
- A Medicare Supplement Plan

Tips and Hints

- You're automatically enrolled in Medicare Part A (inpatient care) when you apply for Social Security
- Use any money you may have in a Health Savings Account to help pay for medical premiums and out-of-pocket expenses.

Learn More About

- Medicare at Medicare.gov or 800-MEDICARE (800-633-4227)

Is This You?

You're planning to retire before reaching Medicare age

Best Option

- Your employer's retiree medical plan, if offered,
- A Marketplace plan, or
- COBRA (coverage maximum of 18 months)

Tips and Hints

- To determine your best value, compare the cost of COBRA with the cost of a similar Marketplace plan.
- To view Marketplace alternatives to COBRA go to www.healthcoverageresources.com/ADP/home*

*Marketplace open enrollment is November 1, 2015 to January 31, 2016

Learn More About

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More tips and hints

- Being enrolled in medical benefits through the ADP TotalSource, Inc. Health and Welfare Plan satisfies the individual mandate.
- You'll pay 102% of the total premium cost (employer and employee) to continue coverage through COBRA. You'll be able to find comparable coverage at a lower premium through the COBRA Marketplace at www.healthcoverageresources.com. Be sure you do a side-by-side comparison to help you decide your best option.