



Covered California
PO BOX 989725
West Sacramento, CA 95798-9725



{EMPLOYER_NAME}
ATTN: Human Resources
{ADDRESS_LINE1}
{ADDRESS_LINE2}
{CITY}, {STATE_CD} {ZIPCODE}

Important Information about Your Employee's Health Insurance Coverage through Covered California

{Notice Date}

Dear Human Resources Manager:

You are getting this notice because your employee(s) on the attached list below, was determined eligible for advanced premium tax credit (APTC) for purchasing and enrolling in a qualified health plan (QHP) through Covered California.

Applicable Large Employers (ALE) (e.g., employers with at least 50 full-time or full-time-equivalent employees) are subject to the Affordable Care Act's (ACA) Employer Shared Responsibility (**ESR**) provisions under section 4980H of the Internal Revenue Code (26 USC § 4980H). Under these provisions, an ALE is required to offer health coverage to its full-time employees, defined as those who average 130 or more hours of service per month, and their dependent children to avoid a penalty assessment by the Internal Revenue Service (IRS). The health coverage offered must meet the ACA's affordability and minimum value standards.

ALEs may be subject to an ESR penalty if at least one of its full-time employees receives APTC for purchasing their health coverage through Covered California.

If {EMPLOYER_NAME} is an ALE, and the employee(s) on the attached list is determined to be a full-time employee under the ACA AND was not offered an opportunity to enroll in employer-sponsored health coverage, or if the health coverage offered did not meet the ACA's affordability and minimum value standards for any month during {current year}, the IRS may determine that you are subject to an ESR penalty.

To learn more about the ACA's Employer Shared Responsibility provisions, please visit <https://www.irs.gov/affordable-care-act/employers/employer-shared-responsibility-provisions>.

For more information about the ACA's affordability and minimum value standards, please visit <https://www.irs.gov/affordable-care-act/employers/minimum-value-and-affordability>.

If you have IRS Large Employer Shared Responsibility penalty questions, please visit <https://www.irs.gov/affordable-care-act/employers/questions-and-answers-on-employer-shared-responsibility-provisions-under-the-affordable-care-act>

Important: This may be the **ONLY** notification that {EMPLOYER_NAME} will receive from Covered California to inform you that you may be subject to an ESR penalty. **Only the IRS** can determine whether {EMPLOYER_NAME} will owe an ESR penalty and collect the penalty.

Remember: Discrimination against an employee who has been determined eligible for APTC and enrolled in a QHP through Covered California is prohibited under the ACA. Any employees who are retaliated against by their employer may file a complaint with the Occupational Safety and Health Administration of the United States Department of Labor (OSHA), as specified in 29 USC Section 218c and 29 CFR Sections 1984.102 and 1984.103.

What are your rights?

If you believe there has been a mistake regarding your employee's eligibility for APTC because he/she was offered an opportunity to enroll in employer-sponsored health coverage that met the ACA's affordability and minimum value standards, you have the right to file an appeal with the U.S. Department of Health and Human Services (HHS) within 90 days from the date of this notice. If you file an appeal, HHS will consider evidence provided by both you and your employee to determine if the employee is eligible for APTC.

However, filing an appeal will not necessarily affect your liability to make an ESR payment to the IRS. **Only the IRS can determine whether you are subject to a penalty.**

For more information about the employer appeal process, visit:

www.healthcare.gov/marketplace-appeals/employer-appeals/.

To download the employer appeal request form, visit:

<https://www.healthcare.gov/downloads/marketplace-employer-appeal-form.pdf>.

You can mail the completed form to:

Health Insurance Marketplace
Attn: Appeals
465 Industrial Blvd.
London, KY 40750-0061

For appeal questions, please contact the Marketplace Appeals Center toll-free at **1-855-231-1751**, Monday – Friday, 7:00 a.m. – 8:30 p.m. Eastern Time.

EMPLOYEE LIST

EMPLOYEE NAME	EMPLOYEE DATE OF BIRTH
{Employee_Name}	{Employee DOB}
{Employee_Name}	{Employee DOB}
*Table will expand to hold multiple employee names. Maximum number of	

This notice was sent to you in compliance with the Affordable Care Act:
California Code of Regulations, Title 10, § 6476(i); 45 Code of Federal Regulations, §155.310(h)