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September 10, 2013

Dear Client:

After a cursory review of your tax data, we believe you may be required to complete a **NEW Department of Labor disclosure – The Notice to Employees of Coverage Options.**

This notice must be sent to all employees no later than October 1, 2013.

This notice is required under the Patient Protection and Affordable Care Act (PPACA), President Obama's signature health care law that was upheld by the Supreme Court last year. Section 1512 of the Affordable Care Act creates a new Fair Labor Standards Act (FLSA) section 18B requiring a notice to employees of coverage options available through the Marketplace.

Basic facts:

- Employers must provide a notice of coverage options to each employee, regardless of plan enrollment status (if applicable) or of part-time or full-time status.
- Employers must provide a notice of coverage even if the employer does not provide health insurance coverage.
- Employer may need to provide a notice of coverage even if they have only 1 employee.
- Employers are required to provide the notice to each new employee at the time of hiring beginning October 1, 2013.

We have enclosed sample notices you may wish to implement. Each employee must receive Part A and either Part B-1 or Part B-2.

- Part B-1: If your company offers health insurance
- Part B-2 (2 pages): If your company does not offer health insurance.

Please complete Part B as it applies, and give notices to employees by October 1, 2013. Retain a copy in each employee's permanent file.

For more information relating specifically to California visit www.coveredca.com or visit our website www.rcdaviscpa.com.

Sincerely,

Robert C. Davis