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Impact of the Affordable Care Act on your GBP Health Coverage

The Employees Retirement System of Texas (ERS) administers insurance benefits for eligible employees, retirees, and their family members. [More eligibility information](#) is available on the ERS website. These are some of the most frequently asked questions about federal health care reform and your insurance coverage.

This information is current as of its posting date, but ERS cannot guarantee the ongoing accuracy or completeness of the information. You are strongly encouraged to independently determine how, if at all, the ACA and the Marketplace may affect you and your family. ERS does not verify and does not exert editorial control over information on pages you may link to from this page.

Please see www.healthcare.gov for more information related to Marketplace insurance coverage.

1. Do provisions in the Affordable Care Act (ACA), also known as federal health care reform, change eligibility rules for the GBP?

No. Nothing in the ACA changes who can participate in the GBP. All participants must continue to meet state eligibility rules to qualify for GBP coverage. All ACA requirements to date are already part of the GBP.

2. Do employees have to change their health insurance because of the Marketplace (also known as the "exchange")?

No, employees and their dependents do not have to change their GBP health insurance due to the Marketplace.

3. Did retiree coverage change because of the Marketplace?

No, retiree coverage has not changed due to the Marketplace.

4. Are my dependents required to have coverage under the ACA?

Yes, the [ACA requires everyone, including children, to have coverage](#) or pay a federal tax, [unless they qualify for an exemption](#).

5. Is my employer required to offer my dependents coverage?

No. The ACA does not require employers to offer dependent coverage, and you are not required to buy dependent coverage through your employer.

6. What if I or my dependents do not have health insurance? Who pays the federal tax: the employer or the employee?

Starting January 1, 2014, anyone who doesn't have health insurance coverage will be subject to a federal tax [unless they qualify for an exemption](#). The adult or married couple who can claim a child or another individual for federal income tax purposes is responsible for paying the tax if the dependent does not have coverage or qualify for an exemption.

7. Can I buy insurance for my dependents through the Marketplace, if I find a less expensive or better option there?

Yes, but if you're thinking about buying dependent health insurance through the Marketplace, please keep the following in mind:

- The State currently pays a portion of dependents' premiums for most GBP-eligible employees (50% for dependents of full-time eligible employees, and 25% for dependents of part-time eligible employees). If you decline GBP dependent coverage and purchase a policy through the Marketplace, you may be paying the full price of the Marketplace coverage.
- You cannot drop any currently covered dependents from GBP insurance before the end of the plan year (August 31), unless you have a qualifying life event (QLE). You can drop a dependent during Annual Enrollment without a QLE. For more information, see [the list of QLEs](#) on the ERS website.

8. Can I drop GBP coverage in the middle of the plan year and go to the Marketplace?

Not if you remain a full-time employee of a state agency or other organization in the GBP. In some circumstances, you or your dependents might be able to drop coverage when you experience a QLE.

9. Is the availability of Marketplace coverage considered a qualifying life event (QLE)?

According to the IRS, the availability of Marketplace insurance by itself is not considered a QLE. Employees and their dependents who enroll in GBP coverage need to stay enrolled in the GBP for the entire plan year.

10. What if my employer changes my job status from full-time to part-time employment?

That is considered a QLE. You may qualify for coverage on the Marketplace depending on federal eligibility guidelines. Go to www.healthcare.gov for more information.

11. Do part-time employees have to go to the Marketplace?

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Nothing about the ACA has changed GBP eligibility for part-time employees. Part-time employees and their dependents can go to the Marketplace if they choose and they are eligible. © 2013 Employees Retirement System of Texas. All rights reserved.

**12. Can employees who get the state contribution use it to buy a health care plan on the Marketplace or elsewhere?**

No. The state contribution for employees (and their dependents) will be made only to GBP programs, not to any other insurance program, including any program in the Marketplace.

13. If I want to use my own money and buy coverage for myself on the Marketplace, can I do it?

Probably, but the Marketplace is intended for people who do not have affordable employer-based insurance. Since the State currently pays 100% of the premium for most GBP-eligible employees, it's important to know that if you decline GBP coverage and purchase a policy through the Marketplace, you will be paying the full price of your Marketplace coverage.

14. What is considered "affordable" coverage?

The IRS sets the affordability standard for insurance coverage (*IRS 26 CFR Part 1*). Starting January 1, 2015, the employee's premium contribution cost for the employer-sponsored health insurance plan (for the employee only, not any other members of his or her family) may not exceed 9.5% of the employee's household income for the year. Full-time employees, for whom the employer pays 100% of the member-only GBP contribution, are considered to have affordable coverage.

15. Does GBP coverage meet the minimum coverage requirement under the ACA?

Yes. GBP coverage currently meets the minimum coverage requirement under the ACA for employees eligible to receive the 100% employer contribution.