

CITY OF HOBOKEN - WAIVER OF MEDICAL INSURANCE COVERAGE

Having met the eligibility requirements, you have been offered the opportunity to enroll in health coverage offered by The City of Hoboken ("Employer"). You have the right to decline, or waive coverage. If you do waive coverage for yourself, you may not cover dependents under the Employer's health plan. Note that if you waive coverage considered affordable and minimum essential under the Patient Protection and Affordable Care Act (ACA), you will not qualify for government credits and subsidies to purchase individual health insurance on the Marketplace.

The decision to waive coverage has consequences for you and your dependents. For example:

- If you waive this coverage and do not obtain or have alternate coverage on your own, you will be subject to a financial penalty (tax) under the individual responsibility requirement of the ACA by the IRS. Your dependents may also be subject to a financial penalty.
- If you waive coverage, you cannot enroll in the Employer's health plan until the next open enrollment period unless you experience a qualified change in status. Examples include if you are covered under another plan but that coverage is lost, or if you gain a new dependent through birth, adoption, or marriage. However, you must request to enroll in your plan **within** 30 days of the qualified change in status. If you miss the 30-day enrollment deadline, you must wait until the next open enrollment period.
- If you or your dependents experience a gap in health insurance coverage, a pre-existing condition exclusion may be imposed when you or dependents obtain insurance coverage in the future. This will mean that certain medical conditions will not be covered by insurance for as long as 18 months.

The Medical Buy Out is \$750 for Individual \$1,500 for Parent and Child and \$2,250 for Family coverage.

Employees will receive payment for the Medical Buy Out in two payments, at the beginning of January and July. Such payment is in addition to regular salary and will be treated as part of an employees' gross income, subject to appropriate withholding for income and payroll tax purposes.

If the alternate coverage ends and you still meet the eligibility requirements for coverage under the Employer's health plan, you will be required to refund any portion of the Medical Buy Out payment for the period for which the Employer will subsequently provide coverage upon reinstatement in Employer's health plan.

If, despite these risks, you decide to waive coverage, please complete the section below:

I hereby waive coverage in lieu of the Medical Buy Out referenced in section 807 of the Employee Handbook. Such waiver will include waiving liability to the Employer.

Please indicate which level of coverage is being waived:

Individual: _____

Parent Child: _____

Family: _____

I understand that I must provide documentation of comparable alternate medical health insurance coverage to Employer's Benefits Coordinator.

I understand that if the alternate coverage ends and I still meet the eligibility requirements, I must refund any portion of the medical buy out payment for the period for which the Employer will subsequently provide coverage upon reinstatement in Employer's health plan.

I acknowledge that the Employer has offered me affordable minimum essential coverage, as defined under the ACA, for the period from _____ to _____.

I have read the above and I understand the consequences of my waiver of coverage, assume the risks of my waiver and release Employer from any liability for any consequences of my decision.

Name of Employee

Signature of Employee

Date

As a representative of the Employer, I received this Waiver of Coverage from the above employee on _____ (Date).

Signature of the Employer Representative

Date input into Primepoint: _____