



## Q&A on New Guidance related to S. 125

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1. **What is the new federal guidance related to S. 125 plans?**

The IRS and Department of Labor released guidance on September 13, 2013 that indicates, among other things, that Section 125 plans may no longer be used by non-benefits eligible employees to purchase non-group health insurance on a pre-tax basis and without an employer contribution. However, there are still many coverage options available to you that are outlined in this Q&A.

2. **How is this different from information I received previously?**

Previously, you were provided notice that the Commonwealth had set up a Section 125 plan with Mosaic Insurance Exchange through which non-benefits eligible employees could purchase non-group health coverage on a pre-tax basis. However, because of the issuance of the federal guidance on September 13, that is no longer the case.

3. **What do I do if I was offered a S. 125 plan?**

If you were offered a Section 125 plan through the Commonwealth and you used that plan to purchase insurance in 2013, you can continue to use your Section 125 plan to pay premiums on your insurance policy until the policy expires in 2014. However, you cannot sign up for a new Section 125 plan after January 1, 2014. When your current Section 125 plan expires, you can purchase health insurance through the Health Connector. You may be eligible to receive federal subsidies to assist you in the purchase of health insurance. For information on applying for health coverage, go to [MAhealthconnector.org](http://MAhealthconnector.org). You can also call 1-877-MA-ENROLL.

4. **Can I get insurance through the new exchange/marketplace?**

Yes, the new exchange/marketplace is the Massachusetts Health Connector [MAhealthconnector.org](http://MAhealthconnector.org). You can sign up on line or through calling 1-877-MA-ENROLL. You may be eligible for advanced premium tax credits or state subsidies depending on your income. (As an example, individuals with a household income of up to approximately \$46,000 and a family of four with a household income of up to \$94,000 may qualify for tax credits.)

5. **How do I sign up?**

You can sign up on line by visiting [MAhealthconnector.org](http://MAhealthconnector.org). You can shop for different products depending on the level of benefits and cost sharing you feel most comfortable with. There are tools on the site to help you choose which plan is best for you.

6. **Will my coverage on the exchange/marketplace be pre-tax?**

No, coverage that you buy on your own through the Massachusetts Health Connector will not be pre-tax. However, you could be eligible for advanced premium tax credits or state subsidies if you meet certain income thresholds.