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TO: ALL EMPLOYEES

DATE: SEPTEMBER 30, 2014

Elite Guard in partnership with Trion Solutions, is a longtime leader in providing employee benefits, and we are also committed in sharing healthcare information with our clients and employees. We will continue to closely monitor the changing healthcare regulations, and are ready to implement necessary changes associated with healthcare reform for 2015. Therefore, please find the following information contained in this packet:

- Frequently Asked Questions about the Healthcare Reform
- Instruction Sheet
- Health Insurance Election Form (You have three (3) options available)

1) Select Minimum Essential Coverage Plan (MEC) or

2) Select Bronze Plan or

3) Select to Decline Health Insurance Coverage

ELITE GUARD MEDICAL BENEFIT PROGRAM

All full-time employees are eligible to participate in the Open Enrollment process for medical benefits who will have worked a minimum of 130 hours per month by January 1, 2015. Our Medical plans are administered by Trion Solutions and both plans utilize the First Health network, one of the country's largest networks which allows you to choose your own doctor rather than many Health Managed programs.

- **The Minimum Essential Coverage Medical Plan** covers all wellness visits, and offers the Minimum Essential Coverage required by the Affordable Health Care Act. This medical plan allows an employee affordable health care **and avoids any tax charges to the employee at the end of the year**. The MEC plan limits the amount of coverage as explained in the attached Summary of Benefits. Any costs are paid in addition to the payroll deductions listed on the Employee Election Form.
- **The PPO3 "Bronze" Plan** carries a \$5,000 single deductible and a \$1,350 co-insurance limit for a total member out of pocket cost of \$6,350 per year. Family coverage is multiplied by two (2). These out of pocket costs additional to the 9.5% of annual income that you will be contributing to for the premium costs.

All employees are required to complete the Health Insurance Election Form by accepting or declining and return it to the Elite Guard office no later than **10/17/2014**.

If you should have any questions or are in need of further assistance, please do not hesitate in contacting Paola Martinez (HR Administrator) or Kathleen Atty (Office Administrator) at the Elite Guard office (305) 956-9520 or Salei (Sally) Oghsteen at Trion Solutions at (248) 498-8463

Thank You,

ELITE GUARD MANAGEMENT

17070 Collins Avenue Suite 263 Sunny Isles Beach, FL 33160

Healthcare Reform Frequently Asked Questions

Q. What is health care reform?

A: Healthcare reform refers to the statutory and regulatory changes to the nations' healthcare system, resulting from a Federal law known as the Patient Protection and Affordable Care Act (ACA). Healthcare reform was enacted in March 2010. Certain provisions became effective for plan years starting after September 23, 2010 with additional, key provisions becoming effective by 2014 and beyond.

The main features of the legislation include:

- Requiring employers with more than 50 full-time employees to provide affordable health coverage to employees. (Anticipated implementation 2015)
- Requiring all Americans to obtain health coverage from their employers or otherwise, or pay a penalty
- Elimination of certain insurance restrictions such as exclusions of certain individual from healthcare coverage, such as requirements relating to pre-existing conditions

Q: Who will be impacted by healthcare reform?

A: All Americans will be impacted by 2014, every individual will be required to have medical insurance or will pay a penalty unless any of the following apply:

- You are part of a region opposed to acceptance of benefits from a health insurance policy
- You are an undocumented immigrant
- You are incarcerated
- You are a member of an Indian tribe.
- Your family income is below the threshold requiring you to file a tax return
- You have a pay more than 9.5% of your income for health insurance, after taking into account any employer contributions or tax credits

Healthcare reform will also affect most businesses in 2015. Even those currently offering health benefits will be subject to significant cost increases and more reporting and administrative burdens. Employers with 50 or more employees will be required to offer full-time employees minimum, affordable benefits or they will be required to pay a penalty. All security providers will experience substantial cost increases that will increase the cost of the security industry

Q: What are the primary changes as result of healthcare reform?

A: The federal government's health care website, www.Healthcare.gov includes a timeline that shows what has changed. Visit this website for more information on the bullet points below

Some of the requirements of the Act include:

- No lifetime limit on coverage
- No denial of benefits for pre-existing conditions in children up to age 19
- Restrictions on annual dollar limits on essential benefits, such as: hospitalization, emergency care, maternity, mental health, lab services, prescription drugs and chronic disease management
- Dependent eligibility expanded to age 6
- New reporting requirements
- Expanded coverage for early retirees
- Changes to preventative care charges
- Insurance companies may no longer rescind coverage
- Defining full-time employees as those working 30 hours a week or more (205)
- The Health Insurance Marketplace is established for uninsured individual to obtain coverage
- Individuals must have coverage or pay a penalty
- Employers offer minimum, affordable coverage or pay a penalty (2015)
- No enrollment waiting period longer than 90 days for new hires
- No annual dollar limits on essential health benefits

Q: Are employers required to offer benefits in 2014?

A: No, the Obama Administration announced that it is delaying until 2015 implementation of the employer shared responsibility provisions of the Affordable Care Act which provide for penalties for large employers that do not offer their employees affordable, minimum essential coverage.

Q: How is Elite Guard reacting to healthcare reform?

A: Elite Guard & Patrol Service, Inc., has taken a proactive leadership role, making a commitment to ensure a smooth transition in meeting healthcare reform requirements.

Through the work of a multi-disciplinary team, Elite Guard is focused on creating innovative and effective solutions to mitigate costs and administrative impacts of

Additionally, it is important to Elite Guard that our employees, who are a vital part of our clients' security programs, are being offered health insurance coverage as we understand the importance of benefits to an engaged, productive workforce.

Q: Does Elite Guard have to offer employees healthcare insurance?

A: Currently, Elite Guard is not required to offer employee benefits. However, as we understand the importance of benefits to our employees, we will continue to offer health benefits to our full-time employees. In 2015, all full-time employees who work 30 or more hours a week must be offered health insurance coverage per healthcare reform. Full-time employees can elect to take Elite Guard coverage options or find coverage through another source such as the Health Insurance Marketplace.

Q: What healthcare benefit plans will Elite Guard offer employees?

A: Elite Guard selects plans in the best interest of our employees and clients. The health insurance plans that are available to benefits eligible employees will be sent to them through their open enrollment packets.

Q: If I elect to have health insurance (MEC or Bronze Plan) when will my payroll deductions begin?

A: If you choose one of the two plans offered, deductions will begin on the December 15th, 2014 payroll.

Q: What if I can't afford my share of health insurance. Can I apply for coverage and subsidies in the Marketplace instead?

A: Yes, you can always shop for health coverage in the Marketplace. If your share of the premium for self-only coverage in your employer plan is 9.5% or more of your household income it is considered unaffordable, and you can apply for premium tax credits or subsidies (assistance) in the Marketplace. To find out if you are eligible for assistance you may go to www.Healthcare.gov.

Q: Can Elite Guard just have all part-time employees instead of offering health insurance coverage?

A: Part-time employees have been key members of the Elite Guard team for years. The use of part-time employees can make it easier to manage hard to fill shifts such as nights and weekends. In addition, the workforce is full of students, retirees and people seeking to supplement their family income. These employees are typically engaged and motivated and can provide great service. Elite Guard is prepared to discuss a client's individual needs and suitability of part-time employees.

Q: If an individual doesn't obtain health insurance from their employer, what are their other options?

A: The Health Insurance Marketplace will be set up to create an alternative, competitive market for buying health insurance. The Marketplace will offer a choice of different health plans, certifying plans that participate and providing information to help consumers better understand their options.

Beginning in the fall of 2013, the Marketplace will enable individuals the ability to purchase insurance on their own for plans starting in January of 2014. States are expected to establish Marketplaces, which can be a government agency or a non-profit organization, with the federal government stepping in if a state does not participate. For more information on the Health Insurance Marketplace, visit www.Healthcare.gov

Q: Are other security providers also dealing with this issue?

A: Yes, all security providers will experience substantial cost increases when the employer mandate goes into effect in 2015, which will increase the cost of security services industry-wide. If a security provider with 50 or more employees does not already offer health insurance to their full-time employees, they must do so in 2015, or pay a penalty.

INSTRUCTIONS:

If you are choosing to **ACCEPT** a Medical Plan please follow the steps listed below:

1. Review the Medical Benefits Program on page one (1) of this packet.
2. Choose the plan that best works for you (*MEC or Bronze*)
3. Complete the **EMPLOYEE ELECTION FORM** by writing your name and worksite location/property name
4. Mark and **"X"** in the box next to the coverage you are choosing
5. Read the authorization
6. Sign and date the **EMPLOYEE ELECTION FORM**

If you are choosing not to elect a medical plan at this time and you are **DECLINING** coverage please complete the following:

1. Mark and **"X"** in the box next to the reason why you are not choosing the MEC plan
2. Mark and **"X"** in the box next to the reason why you are not choosing the Bronze plan
3. Read the authorization
4. Sign and date the **EMPLOYEE ELECTION FORM**

HEALTHCARE ELECTION FORM MUST BE RETURNED BY FRIDAY, OCTOBER 17TH, 2014

RETURN ALL FORMS TO:

ELITE GUARD
17070 COLLINS AVENUE
SUITE 263
SUNNY ISLES BEACH, FLORIDA 33160

(305) 956-9520

ATTN: PAOLA MARTINEZ OR KATHLEEN ATTY

EMPLOYEE MEDICAL ELECTION FORM Effective 1/1/2015 thru 12/31/2015

Employee Name: _____

Worksite Location: _____

MEDICAL

Plan Name: **TRION SOLUTIONS MINIMUM ESSENTIAL COVERAGE MEDICAL PLAN (MEC)**

If you want MEC Insurance coverage, please put an "X" in the box next to the insurance coverage you are choosing.

Pre-Tax Contribution is computed on a Per Pay basis (24 Pays/Year)

	Choice of Coverage	Employee Cost
A.	<input type="checkbox"/> SINGLE	\$1,200 p/year, \$100 p/month, \$50 p/pay
B.	<input type="checkbox"/> EMPLOYEE / CHILD	\$2,485.68 p/year, \$207.14 p/month, \$103.57 p/pay
C.	<input type="checkbox"/> EMPLOYEE / SPOUSE	\$2,880.84 p/year, \$240.07 p/month, \$120.04 p/pay
D.	<input type="checkbox"/> EMPLOYEE / SPOUSE/CHILD (REN)	\$4,401.24 p/year, \$366.77 p/month, \$183.39 p/pay

If you **DO NOT** want MEC Insurance coverage, please put an "X" in the box next to the reason why you are not choosing coverage

DECLINING COVERAGE (CHECK APPLICABLE REASON)

	Reason for Declining Coverage	Employee Cost
1	<input type="checkbox"/> DECLINE/ Coverage through Spouse's Employer	\$0.00
2	<input type="checkbox"/> DECLINE/Dependent on Parent's Employers Plan	\$0.00
3	<input type="checkbox"/> DECLINE/Individual Coverage	\$0.00
4	<input type="checkbox"/> DECLINE/I do not wish to participate with my employer's group plan at this time.	\$0.00

For specific questions, please refer to the supplied SBC

Plan Name: **TRION Bronze PPO 3**

If you want **BRONZE** Insurance coverage, please put an "X" in the box next to the insurance coverage you are choosing

Pre-Tax Contribution is computed on a Per Pay basis (24 Pays/Year)

	Choice of Coverage	Employee Cost
E.	<input type="checkbox"/> SINGLE	9.5% OF EE'S ANNUAL INCOME
F.	<input type="checkbox"/> EMPLOYEE / CHILD	9.5% OF EE'S ANNUAL INCOME AND ALL ADDITIONAL PREMIUM CHARGES ASSOCIATED WITH DEPENDENT COVERAGE
G.	<input type="checkbox"/> EMPLOYEE / SPOUSE	9.5% OF EE'S ANNUAL INCOME AND ALL ADDITIONAL PREMIUM CHARGES ASSOCIATED WITH DEPENDENT COVERAGE
H.	<input type="checkbox"/> EMPLOYEE / FAMILY / SPOUSE / CHILD(REN)	9.5% OF EE'S ANNUAL INCOME AND ALL ADDITIONAL PREMIUM CHARGES ASSOCIATED WITH DEPENDENT COVERAGE

If you **DO NOT** want **BRONZE** Insurance coverage, please put an "X" in the box next to the reason why you are not choosing coverage.

DECLINING COVERAGE (CHECK APPLICABLE REASON)

	Reason for Declining Coverage	Employee Cost
5	<input type="checkbox"/> DECLINE/ Coverage through Spouse's Employer	\$0.00
6	<input type="checkbox"/> DECLINE/Dependent on Parent's Employers Plan	\$0.00
7	<input type="checkbox"/> DECLINE/Individual Coverage	\$0.00
8	<input type="checkbox"/> DECLINE/I do not wish to participate with my employer's group plan at this time.	\$0.00

For specific questions, please refer to the supplied SBC

Authorization

I understand that this election may not be changed during the plan year unless I experience a qualified life status change and those unused allocations, if any, will revert to my employer at the end of the plan year. I authorize my Elite Guard/TRION Solutions to reduce my income on a pre-tax basis by the amounts required to pay for my benefit elections. I understand my voluntary election to waive or "opt out" is by my own free will. In addition, I realize it is my responsibility to maintain proper health insurance for myself and my family, and that any claims or expenses I might realize because of lack of coverage, would be my sole responsibility for payment. If I am declining enrollment for myself or my dependents (including my spouse) because of other health insurance coverage, I may in the future be able to enroll myself or my dependents in this plan, provided that I request enrollment within 30 days of my coverage ends. In addition, if I have a new dependent as a result of marriage, birth, or adoption, I may be able to enroll myself and my dependents, provided that request enrollment within 30 days after the qualifying event. My signature below acknowledges my elections listed previously on this form.

Employee Signature: _____

Date: _____