

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT OF 1995: MODEL EMPLOYER CHIP NOTICE

This information collection request (ICR) seeks approval for an extension without change of an existing control number.

A. JUSTIFICATION

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

On February 4, 2009, President Obama signed the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA, Pub. L. 111-3). Under ERISA section 701(f)(3)(B)(i)(I), Public Health Service Act (PHS) section 2701(f)(3)(B)(i)(I), and section 9801(f)(3)(B)(i)(I) of the Internal Revenue Code, as added by CHIPRA, an employer that maintains a group health plan in a State that provides medical assistance under a State Medicaid plan under title XIX of the Social Security Act (SSA), or child health assistance under a State child health plan under title XXI of the SSA, in the form of premium assistance for the purchase of coverage under a group health plan, is required to make certain disclosures. Specifically, the employer is required to notify each employee of potential opportunities currently available in the State in which the employee resides for premium assistance under Medicaid and CHIP for health coverage of the employee or the employee's dependents. These notices are referred to in this document as "Employer CHIP Notices."

ERISA section 701(f)(3)(B)(i)(II) requires the Department of Labor to provide employers with model language for the Employer CHIP Notices to enable them to timely comply with this requirement, which is referred to as the "Model Employer CHIP Notice" in this document. The model language is required to include information on how an employee may contact the State in which the employee resides for additional information regarding potential opportunities for premium assistance, including how to apply for such assistance.

Section 311(b)(1)(D) of CHIPRA provides that the Departments of Labor and Health and Human Services shall develop the initial Model Employer CHIP Notices under ERISA section 701(f)(3)(B)(i)(II), and the Department of Labor shall provide such notices to employers. Moreover, each employer is required to provide the initial annual notices to such employer's employees. The ICR relates to the Model Employer Chip Notice.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

As stated in response to Item 1 above, CHIPRA requires that the Department of Labor and the Department of Health and Human Services develop a model notice for employers to use to inform employees of potential opportunities currently available in the State in which the employee resides for group health plan premium assistance under Medicaid and the Children's Health Insurance Program (CHIP). The Departments are required to consult with the Department of the Treasury, as well as State Medicaid and CHIP offices. The Department of Labor is required to provide the model notice to employers. The Department expects that employers will use the Model Employer CHIP Notice to fulfill their obligation under CHIPRA to provide the employee notification.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration for using information technology to reduce burden.

ERISA and regulations thereunder provide general standards for the delivery of all information employee benefit plan must furnish to participants, beneficiaries, and other individuals under Title I of ERISA (29 C.F.R. § 2520.104b-1(b)). Plan administrators must use delivery methods reasonably calculated to ensure actual receipt of information by participants, beneficiaries, and other individuals (29 C.F.R. § 2520.104b-1(b)(1)). For example, in-hand delivery to an employee at his or her workplace is acceptable, as is material sent by first class mail. The Department amended ERISA's delivery standards in 2002 by establishing a safe harbor for the use of electronic media to furnish disclosures (the 2002 safe harbor; 29 C.F.R. § 2520.104b-1(c)). The 2002 safe harbor was not and is not the exclusive means by which a plan administrator may use electronic media to satisfy the general standard. However, plan administrators who satisfy the conditions of the safe harbor are assured that the general delivery requirements have been satisfied.

The Employer CHIP Notice may be provided electronically to the extent the criteria of the Department's electronic disclosure safe harbor at 29 CFR 2520.104b-1(c) are satisfied. Therefore, the Department has estimated that 58.3 percent of notices will be sent electronically to employees.¹

¹ According to data from the National Telecommunications and Information Agency (NTIA), 37.4 % of individuals age 25 and over have access to the Internet at work. According to a Greenwald & Associates survey, 84% of plan participants find it acceptable to make electronic delivery the default option, which is used as the proxy for the number of participants who will not opt-out of electronic disclosure that are automatically enrolled (for a total of 31.4% receiving electronic disclosure at work). Additionally, the NTIA reports that 44.1% of individuals age 25 and over have access to the internet outside of work. According to a Pew Research Center survey, 61.0% of internet

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

No duplication of effort is associated with the information collection. As required by CHIPRA, the Department consulted with the Department of Health and Human Services and Department of the Treasury in drafting the notices.

5. If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.

The Department has provided a model notice to help reduce burden and expects that employers will use the Model Employer CHIP Notice to fulfill their obligation under CHIPRA to provide the employee notification. The Employer CHIP Notice may be provided electronically to the extent the criteria of the Department's electronic disclosure safe harbor at 29 CFR 2520.104b-1(c) are satisfied.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If the information collection is not conducted, the Department would not meet its obligation under CHIPRA to provide the Model Employer CHIP Notice.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

users use online banking, which is used as the proxy for the number of internet users who will affirmatively consent to receiving electronic disclosures (for a total of 26.9% receiving electronic disclosure outside of work). Combining the 31.4% who receive electronic disclosure at work with the 26.9% who receive electronic disclosure outside of work produces a total of 58.3% who will receive electronic disclosure overall.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The Department published a notice in the Federal Register on July 11, 2025 (90 FR 30984), as required by 5 CFR 1320.8(d), soliciting comments on the information collection and providing the public 60 days to comment on the submission. One comment was received from the public in response to this ICR.

In response to the general solicitation of comment included on the forms a commenter recommended sending the notice by email when possible, or, if not, mailing a small flyer with a link to the full information online. The commenter also suggested tailoring notices to include only information relevant to each recipient to reduce mailing costs. In response, the Department notes that regulations do allow and govern when notices may be sent electronically. Additionally, while limiting the amount of information could in

some situations reduce mailing costs, certain content is mandated by statute and cannot be omitted from the notice.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts are provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

No assurance of confidentiality is provided.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

This information collection does not ask questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

CHIPRA requires that employers that maintain a group health plan in a State that provides medical assistance under a State Medicaid plan under title XIX of the Social

Security Act (SSA), or child health assistance under a State child health plan under title XXI of the SSA, in the form of premium assistance for the purchase of coverage under a group health plan, is required to make certain disclosures. Specifically, the employer is required to notify each employee of potential opportunities currently available in the State in which the employee resides for premium assistance under Medicaid and CHIP for health coverage of the employee or the employee's dependents. These notices are referred to in this document as "Employer CHIP Notices."

The Department estimates that there are 7,085,426 private sector employers and 70,959 public sector employers that offer a group health plan and are required to send the Employer CHIP Notices to an estimated 214,189,174 private sector employees and 9,243,991 public sector employees annually. Estimates for the number of private employees and employers were derived from the 2024 MEPS-IC.² The number of public employees was derived from the 2023 MEPS-IC³ and the 2024 Public Sector Annual Survey and Census of Governments.⁴ The number of public employers was estimated from the U.S. Census Bureau's 2022 Census of Governments.

The Department has provided a model notice that requires no modification by employers, and employers are able to distribute the notice with other required notices, such as during open enrollment season. In addition, employers may send the notice electronically in accordance with the Department's electronic disclosure regulation. The Department estimates that 58.3 percent of employees will receive the notice electronically with a de minimis cost.⁵ The remaining 89,316,885 employees (41.7 percent) are estimated to receive a paper copy. Each paper disclosure would require 30 seconds of clerical staff

² Medical Expenditure Panel Survey Insurance Component (MEPS-IC), (2024), https://meps.ahrq.gov/data_stats/summ_tables/insr/state/series_2/2024/ic24_iia_f.pdf.

³ Medical Expenditure Panel Survey Insurance Component (MEPS-IC), (2024), https://www.meps.ahrq.gov/data_stats/summ_tables/insr/national/series_3/2023/ic23_iiia_g.pdf.

⁴ U.S. Census Bureau, *State and Local Government Employment and Payroll Data*, (2024), <https://data.census.gov/table/GOVSTIMESERIES.GS00EP01>

[https://data.census.gov/table/GOVSTIMESERIES.GS00EP01?q=gs00ep&g=010XX00US\\$0400000&y=2024&nkd=AGG_DESC~EP0005,GOVTYPE~001,time~2024&cols=tim e:NAME:SVY_COMP_LABEL:AGG_DESC:AGG_DESC_LABEL:GOVTYPE:GOVTYPE_LABEL:FT_EMP:FT_PAY:PT_EMP:PT_PAY:PT_HRS:FTE:TOT_EMP:TOT_PAY:FT_EMP_CV:FT_PAY_CV:PT_EMP_CV:PT_PAY_CV:PT_HRS_CV:FTE_CV:TOT_EMP_CV:TOT_PAY_CV](https://data.census.gov/table/GOVSTIMESERIES.GS00EP01?q=gs00ep&g=010XX00US$0400000&y=2024&nkd=AGG_DESC~EP0005,GOVTYPE~001,time~2024&cols=tim e:NAME:SVY_COMP_LABEL:AGG_DESC:AGG_DESC_LABEL:GOVTYPE:GOVTYPE_LABEL:FT_EMP:FT_PAY:PT_EMP:PT_PAY:PT_HRS:FTE:TOT_EMP:TOT_PAY:FT_EMP_CV:FT_PAY_CV:PT_EMP_CV:PT_PAY_CV:PT_HRS_CV:FTE_CV:TOT_EMP_CV:TOT_PAY_CV)

⁵ According to data from the National Telecommunications and Information Agency (NTIA), 37.4 % of individuals age 25 and over have access to the Internet at work. According to a Greenwald & Associates survey, 84% of plan participants find it acceptable to make electronic delivery the default option, which is used as the proxy for the number of participants who will not opt-out of electronic disclosure that are automatically enrolled (for a total of 31.4% receiving electronic disclosure at work). Additionally, the NTIA reports that 44.1% of individuals age 25 and over have access to the internet outside of work. According to a Pew Research Center survey, 61.0% of internet users use online banking, which is used as the proxy for the number of internet users who will affirmatively consent to receiving electronic disclosures (for a total of 26.9% receiving electronic disclosure outside of work). Combining the 31.4% who receive electronic disclosure at work with the 26.9% who receive electronic disclosure outside of work produces a total of 58.3% who will receive electronic disclosure overall.

time, at a wage rate of \$70.29,⁶ to copy and distribute the notice. Please see Table 1 for calculations and burden.

All public employers that are located inside states that have a premium assistance program are counted as having to provide the notice. Employers in states that do not have a premium assistance program are still required to send notice to an employee that does reside in a state that offers premium assistance. The Department is unable to estimate the number of employers in states not having a premium assistance program that must send notice to out-of-state workers. The Department assumes 20 percent of these employers would send out notices. The Department has estimated that on average 6.6 percent of employees work in states not having a premium assistance program, but reside in another state that does have a premium assistance program and their employer would be required to provide them a notice. Each paper disclosure would require 30 seconds of clerical staff time to copy and distribute the notice. Please see Table 1 for calculations and burden.

Table 1: Estimated Annual Hour Burden and Equivalent Cost

Activity	Number of Respondents	Frequency	Total Annual Responses	Time Per Response	Total Annual Burden (Hours)	Hourly Rate	Equivalent Cost
Private sector- Clerical staff prepares notice	7,085,426	31.50	214,189,174	0.003	744,307	\$70.29	\$52,317,366
Public Sector- Clerical staff prepares notice	70,959	130.27	9,243,991	0.003	32,123	\$70.29	\$2,257,917
Total	7,156,384	-	223,433,165	-	776,430	-	\$54,575,282

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating,

⁶ Internal DOL calculation based on 2025 labor cost data. For a description of DOL's methodology for calculating wage rates, see <https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/rules-and-regulations/technical-appendices/labor-cost-inputs-used-in-ebsa-opr-ria-and-pra-burden-calculations-june-2019.pdf>.

maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

The cost burden associated with the notice requirement is due to the materials and printing costs for the notice. The model notice is four pages in length. The Department assumes five cent per page printing and material costs. As the notice may be distributed with other plan information, no postage costs are included. This leads to a total cost burden of \$18,634,326 (93,171,630 paper notices x 4 pages x \$0.05) for the notices not sent electronically.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

While the Department of Labor and the Department of Health and Human Services are responsible for updating the model notice to ensure that all states with premium assistance programs and contact information for each program are included, HHS already

maintains this list for other purposes and will provide the updated information.⁷ Therefore, no cost is attributed to the Department to maintain the model notice.

15. Explain the reasons for any program changes or adjustments reporting in Items 13 or 14.

The Department updated the employment rate data and the electronic disclosure rate. As a result, the number of responses has increased by 7,676,294 responses, the hour burden increased by 24,876 hours, and the cost burden has increased by \$597,051.

16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

There are no plans to publish the results of this collection of information.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable.

18. Explain each exception to the topics of the certification statement identified in “Certification for Paperwork Reduction Act Submissions.”

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

There are no statistical methods used in this information collection.

⁷<https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/chipra/>