

Health Care Reform Notes



Employer Requirement to Provide Health Coverage

Starting January 1st, 2014...

Groups with under 50 full time equivalents have no requirement to provide coverage for their employees.

Groups with more than 50 full time equivalent employees will have to provide essential minimum coverage for all full time employees or face a fine.

The fine is \$2,000 per full time employee not counting the first 30 employees.

Full Time Equivalent Equation: # of total hours worked by all part time employees divided by 120 = Number of Full Time Equivalent Employees. This number is to be added to the number of regular full time employees to determine total number of full time equivalents.

Full time employee is someone who average 30 hours or more a week.

Essential minimum coverage is defined by at least 60% of the actuarial value of the cost of benefits. Plans that are deemed minimum essential coverage will be indicated as such by the insurance carriers at time of purchase. Such plans are currently being created by the carriers and will be released shortly.

The employee portion of the premium cannot exceed 9.5% of the employee's total household income. If the coverage offered does not meet the afford ability standard, employees may receive tax credits to purchase insurance on their own through the individual exchange. If an employee receives a subsidy as opposed to group coverage, the group will face a fine of \$3,000 per employee receiving the tax credit, or pay \$2,000 per full time employee excluding the first 30 workers (whichever amount is less).