

Are there tax benefits to help pay for quality coverage?

Since 2010, the ACA has awarded nearly 360,000 small businesses across the country with the Small Business Health Care Tax Credit simply because they offered health plans to their employees.

Did you know:

- ◆ While the tax credit currently covers 35% of benefit expenses, it will increase to 50% in 2014.
- ◆ It can be claimed for up to two taxable, consecutive years.
- ◆ Remaining employer contributions are still tax deductible.
- ◆ This federal credit may also be claimed in conjunction with existing Massachusetts tax credits.

Am I eligible for this tax credit?

If your small business meets the following criteria, you are likely eligible for the Small Business Health Care Tax Credit:

- ◆ Your average annual employee wage is less than \$50,000 (not including yourself or family).
 - ◆ You contribute 50% or more towards employees' premium costs.
 - ◆ You employ less than 25 full-time equivalent (FTE) employees.

The credit is offered on a sliding scale. More information can be found at

www.healthcare.gov/small-businesses

What else should I know?

- ◆ You may be eligible for an **additional 15% tax rebate** if you have 25 or fewer employees and participate in the Wellness Track program through the Health Connector.
- ◆ You have the **ability to use an insurance broker** to find affordable coverage through the Health Connector.

Over the coming months, as the federal Affordable Care Act is fully implemented, the following websites are available to provide information and assistance:

www.healthcare.gov/small-businesses

www.sba.gov

www.mahealthconnector.org

You can also contact the SHOP for information on tax credits and other health care questions Monday through Friday, 9 a.m. to 5 p.m. EST by dialing 1 (800) 706-7893.

My health care policy staff is also available at (617) 722-1625 Monday through Friday.

The Affordable Care Act *New Benefits & Requirements*



An Informational Resource for Massachusetts Small Businesses

*Brought to you by
Senator Ben Downing*



Dear Friend,

As your State Senator in the Berkshire, Hampshire, Franklin & Hampden District, I am pleased to share this helpful information regarding the ongoing implementation of the federal Affordable Care Act (ACA) and what it means for small businesses in western Massachusetts.

Today, small businesses in the Commonwealth pay nearly 18% more (on average) for health care for their employees. Additionally, their ability to find affordable, high-quality care is sometimes cumbersome and complicated.

Under new provisions of the ACA which are due to be implemented in Fall 2013 and Winter 2014, many of these problems will be eliminated. Through a combination of new initiatives, our small business community will gain increased access to quality, affordable health care.

Massachusetts has long been a national leader in the health care industry and I hope we will continue to be as we transition into this new system.

Should you have any general questions on this matter, please feel free to contact me or my health care policy staff at anytime.

Senator Ben Downing

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What is required of my small business under ACA?

While the size of your small business will determine some specific requirements, there are some basics that apply to everyone:

- ◆ Effective October 1, 2013, you must **notify all employees (current and all future-hires)** of the Health Exchange, health insurance tax credits, and their options for self-insuring.
- ◆ Effective October 1, 2013 you must **provide all employees with a Summary of Benefits and Coverage (SBC)**, showing what your chosen health plan costs and what it offers.
 - ◆ Effective January 2014, employees eligible for employer-provided coverage will have to wait **no longer than 90 days for coverage to begin.**
 - ◆ Effective January 2014, **you must file reports with the IRS** for each employee that is insured under your offered plan or their own.

For further specific requirements based on revenue and employee-size, visit www.sba.gov/healthcare.

How can I find affordable, quality coverage?

Effective October 1, 2013, the **Small Business Health Options Program (SHOP)** will be established for small businesses with up to 50 employees. In Massachusetts, employers will use the existing Health Connector. The SHOP is designed to:

- ◆ Provide **access to a wide range of plans**, from which you may choose the best fit for your business.
 - ◆ Provide plans that offer federally-mandated “**Essential Health Benefits**”.
- ◆ Provide more **affordable premiums** based on price and quality, rather than the risk pool of your small business.
- ◆ **Reduce your overall administrative costs and complexities** when shopping for and providing health insurance.
 - ◆ Provide access to tax credits and requirements for your small business, thus acting like a “**one-stop-shop**”.

For more information or to access the SHOP, visit www.mahealthconnector.org