

10 THINGS

TO KNOW ABOUT THE AFFORDABLE CARE ACT



The Los Angeles Regional
Small Business
Development Center
Network

866-588-SBDC
www.smallbizla.org

The Affordable Care Act (ACA), also known as the Patient Protection and Affordable Care Act (PPACA) or Obamacare, officially rolled out October 1 with the launch of the Health Insurance Marketplace nationwide. As you navigate the new rules of health insurance, here are 10 things to know.

- 1 If you're self-employed with no employees, under the ACA you are considered an individual rather than an employer. Effective January 1, 2014 you must either buy health insurance that meets the minimum essential coverage standards, qualify for an exemption, or pay a fee called the individual shared responsibility payment. For 2014, that fee is 1 percent of your yearly income or \$95 per person per year, whichever is higher. Learn more by visiting www.healthcare.gov/exemptions.
- 2 If you're self-employed and have individual insurance, you can either keep your current plan or shop for lower rates through the Health Insurance Marketplace. Small business owners who pay high rates or can't get insurance due to pre-existing conditions will be happy to know that under the ACA, they can't be denied or charged more for coverage. Visit www.healthcare.gov to learn more and compare plans in the Health Insurance Marketplace.
- 3 Self-employed people may be eligible for tax credit subsidies to help offset the cost of buying health insurance. Learn more about subsidies at the Kaiser Family Foundation website — www.kff.org/interactive/subsidy-calculator.
- 4 If your business has fewer than 50 full-time or full-time equivalent employees, you are not required to offer your employees insurance. (What's a full-time equivalent? Essentially, two half-time employees equal one full-time worker, so 100 employees who work 20 hours a week would be considered 50 full-time equivalents.) According to the U.S. Census Bureau, some 96 percent of small businesses in the U.S. have fewer than 50 employees and aren't required to offer health insurance.
- 5 If you have fewer than 25 full-time equivalent employees and offer them health insurance, you may qualify for the Small Business Health Care Tax Credit if your employees earn an average of \$50,000 a year or less and you pay at least 50 percent of their premium costs. Find out more by visiting www.healthcare.gov/will-i-qualify-for-small-business-health-care-tax-credits.
- 6 If you have 50 or more full-time equivalent employees, under the ACA you are considered a large business. Starting January 1, 2015, you will be required to offer health insurance or pay a penalty. You may also have to pay a penalty if the insurance you offer doesn't meet minimum standards. Learn more about the Employer Shared Responsibility payment by visiting www.healthcare.gov/what-is-the-employer-shared-responsibility-payment.
- 7 If your company is covered by the Fair Labor Standards Act (FLSA), you must provide written notice to all employees (both full-time and part-time), and to all new hires going forward, informing them about the Health Insurance Marketplace. To see if your business is covered by the FLSA and get sample notification documents, visit www.healthcare.gov/what-do-i-need-to-tell-my-employees-about-the-marketplace.
- 8 If you have at least one employee besides yourself and your spouse, you can shop for insurance for your employees in The Small Business Health Options Program (SHOP) Marketplace rather than the individual marketplace. Currently, The SHOP is open to employers with 50 or fewer full-time equivalent employees; by January 1, 2016, The SHOP will be open to employers with 100 or fewer full-time equivalent employees. Learn more about The SHOP—www.healthcare.gov/how-can-i-get-ready-for-shop.
- 9 Starting in 2014, small business health insurance tax credits—www.healthcare.gov/will-i-qualify-for-small-business-health-care-tax-credits—will be available only through The SHOP. If you currently get or want to receive the tax credit, this is something to consider when choosing your business's insurance plan.
- 10 The ACA has many ramifications for small businesses. Get help by talking with a licensed insurance agent or broker, consulting your accountant, visiting www.healthcare.gov and talking to the experts at your nearest Small Business Development Center.



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