

THE HEALTH CARE REFORM LAW'S EMPLOYER MANDATE - EFFECTIVE JANUARY 1, 2014

The Employer Mandate requires large employers to offer affordable health coverage of a minimum value to full-time employees and their dependents or pay a penalty.

START

IS THE EMPLOYER A LARGE EMPLOYER?

A large employer is one that had an average of 50 full-time equivalents during the preceding calendar year.

NO

NO PENALTIES APPLY.

The employer is not a large employer and thus not required to provide health coverage to full-time employees and their dependents.

YES

DOES THE LARGE EMPLOYER OFFER HEALTH COVERAGE TO ITS FULL-TIME EMPLOYEES AND THEIR DEPENDENTS?

A full-time employee is one who is employed on average at least 30 hours per week.

NO

DID AT LEAST 1 FULL-TIME EMPLOYEE PURCHASE HEALTH COVERAGE IN AN INSURANCE EXCHANGE AND QUALIFY FOR A PREMIUM TAX CREDIT OR COST SHARING SUBSIDY IN THE INSURANCE EXCHANGE?

YES

THE EMPLOYER MUST PAY A PENALTY.

The penalty is \$2,000 per year multiplied by the number of full-time employees, excluding the first 30 full-time employees.

YES

NO PENALTY

NO

DOES THE HEALTH COVERAGE PROVIDE AT LEAST A MINIMUM VALUE?

Coverage that pays for at least 60% of covered medical costs provides minimum value.

NO

DID AT LEAST 1 FULL-TIME EMPLOYEE PURCHASE HEALTH COVERAGE IN AN INSURANCE EXCHANGE AND QUALIFY FOR A PREMIUM TAX CREDIT OR COST SHARING SUBSIDY IN THE INSURANCE EXCHANGE?

YES

THE EMPLOYER MUST PAY A PENALTY.

\$3,000/yr x (the number of full-time employees who purchased health coverage through an insurance exchange and qualified for a premium tax credit or cost-sharing subsidy for such purchase.)*

YES

DOES ANY FULL-TIME EMPLOYEE HAVE TO PAY MORE THAN 9.5% OF THE EMPLOYEE'S FAMILY INCOME FOR THE HEALTH COVERAGE?

YES

NO

NO PENALTIES APPLY.

The employer offers affordable health coverage of a minimum value to full-time employees and their dependents.

* The maximum amount of this penalty cannot exceed the penalty that would be calculated if the employer offered no health coverage to full-time employees and their dependents.

THE HEALTH CARE REFORM LAW'S INDIVIDUAL MANDATE - EFFECTIVE JANUARY 1, 2014

The Individual Mandate requires most individuals to maintain health insurance coverage or pay a penalty.

START

Are you:

- An individual with a religious conscience exemption (generally meaning you are opposed to accepting benefits from health coverage for religious reasons)
- A member of a health care sharing ministry
- Not a citizen or national of the United States
- Not lawfully present in the United States
- Incarcerated because you were convicted of a crime
- A member of an Indian tribe
- Unable to afford health coverage because you would have to pay more than 8% of family income to purchase such coverage
- Someone with household income below the income tax filing threshold (generally \$9,500 for an individual or \$19,000 for a married couple in 2011)
- Experiencing a gap in coverage of generally less than 3 months



YOU DO NOT HAVE TO PAY A PENALTY FOR BEING WITHOUT HEALTH CARE COVERAGE.



Did you have health coverage, during the entire year, through any of the following sources?

- Medicare
- Medicaid
- CHIP (Children's Health Insurance Program)
- TRICARE (for military service members, retirees and their families)
- Employer-provided health coverage
- Veteran's health coverage
- An individual health policy
- A grandfathered health plan
- Health care as a peace corps volunteer



YOU DO NOT HAVE TO PAY A PENALTY.



YOU HAVE TO PAY A PENALTY FOR BEING WITHOUT HEALTH CARE COVERAGE.

2014

The penalty is the greater of \$95 per adult and \$47.50 per child in your household (up to \$285) or 1% of your household income that exceeds your tax filing threshold.

2015

The penalty is the greater of \$325 per adult and \$162.50 per child in your household (up to \$975) or 2% of your household income that exceeds your tax filing threshold.

2016 and Beyond

The penalty is the greater of \$695 per adult and \$347.50 per child in your household (up to \$2,085) or 2.5% of your household income that exceeds your tax filing threshold.

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