

10 Things You Should Know About Health Care Reform

August 31st, 2010

Health Care Reform Is Here. 10 Things Every Employer Should Know.

1. Tax Credits for Small Employers

Employers with fewer than 25 employees and average annual wages of less than \$50,000 may claim a tax credit for the cost of providing insurance beginning on their 2011 tax return. For 2010, the credit is 35% of cost.

2. Dependent Coverage

Health plans that cover dependents will have to cover dependents on a parent's plan until their 26th birthday regardless of their student status. This applies both to new and existing plans.

3. Wellness Grants

Businesses with under 100 employees can apply for \$200 million in available grants to fund new wellness programs (must be implemented after March 23, 2010).

4. W-2 Reporting

Starting with tax years beginning after December 31, 2010, employers are required to report on Form W-2 the total cost of employer-provided group health coverage that is excluded from the employee's gross income.

5. Requirement to Inform Employees

Beginning in 2013, employers must provide each employee with written information on the employer health plan, health exchanges, available subsidies for insurance and guidelines about how to purchase insurance.

6. Simple Cafeteria Safe Harbor

Beginning 2011, simple cafeteria plans for small businesses include a safe harbor from nondiscrimination requirements if the employer averaged 100 or fewer employees during either of the 2 years preceding 2011.

7. Employer Play or Pay

Beginning in 2014, employers with more than 50 employees will pay a per-employee penalty fee if they do not offer health coverage or if they offer coverage and at least one full-time employee receives a premium subsidy.

8. Tax on "Cadillac" Plans

Beginning in 2018, there will be an excise tax on any "excess benefit" of employer-sponsored coverage. This is currently defined as more than \$10,200 for individual coverage or more than \$27,500 for family coverage.

9. Automatic Enrollment

Employers with more than 200 employees must automatically enroll employees in employer-sponsored plans.

10. Breastfeeding Accommodation

Health reform will amend the Fair Labor Standards Act to require that employers provide unpaid breaks for employees to express breast milk and provide a private location for these breaks.

Grandfathering Plans:

If you currently have a health plan for your business, based on the new law, you will probably see few immediate changes to your plan. The law provides for "grandfathering" of policies that were in effect on or before March 23, 2010, allowing you to keep your benefits for currently enrolled employees, dependents and new hires, but mandates that new elements be added to these policies beginning in September. In June of 2010, the Department of Health and Human Services published a fact sheet detailing the plan changes that would cause a health plan to lose its "grandfathered" status and trigger the new federal requirement. For details on those regulations, email me @ emmi@goldenbenchmark.com and I'll send you more information.

This information is provided to give Employers an overview of the dramatic changes including the 2014 health insurance exchange mandates. The information contained in this list is not intended as specific legal, medical, financial or other advice. Every attempt has been made to ensure the accuracy of the information contained herein, according to general information currently available to the public regarding health reform legislation. This information is subject to change based on changes in the law or administration of the law. Golden Benchmark suggests that employers consult a licensed insurance broker and tax professional to understand the requirements under the law specific to their business' individual circumstances and conditions.

Please call me at my office @ 510-818-9877 and I will be happy to forward additional information, answer questions- as best as we currently know- or discuss your concerns.

Excerpts of this document are from Word & Brown, General Agency.