



## North Carolina Law Life

### Health Care Reform: Boost or Burden?

**By: Donna Ray Chmura. *This was posted Wednesday, March 24th, 2010***

President Obama signed what is informally known as the “Health Care Reform Bill” on March 23, 2010, and it is expected that certain changes in a related Reconciliation Bill will be enacted later this week. This long-debated and highly contentious reform legislation is estimated to cost \$938 billion and reduce the number of uninsured individuals via penalties, tax credits and purchasing pools.

It will have some immediate impact on employers:

- Beginning January 1, 2014, employers with more than 50 employees will be required to offer affordable health care coverage to employees or pay a penalty of either \$750 or \$2,000 per full-time worker (depending on which version passes). For purposes of this legislation, a full-time worker averages 30 hours/week.
- Employers with more than 200 workers would be required to enroll workers automatically into health-insurance plans offered by the employer, but allow employees to opt out of the plan.
- For tax years 2010 through 2013, employers with 25 or fewer employees and average annual wages of less than \$50,000 would receive a tax credit against their contribution toward the employee’s health insurance premiums.
- The legislation calls for the creation of state-based “exchanges” that offer health insurance coverage for individuals and small businesses.
- Beginning in 2014, eligible small businesses that purchase coverage through the Exchanges can also receive a tax credit for their contribution toward the employees’ health-insurance premium.

The \$64,000 question is whether these reforms will so burden small business that jobs dry up, or whether entrepreneurs will spring forth and spur the economy now that they are not tied to unsatisfying jobs just for the insurance benefits.

What do you think?

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