

Health Care Reform to impact employers

David Ball
614.462.1084
dball@szd.com

Practice Area: Management
Representation, Employment
Litigation

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The Patient Protection and Affordable Care Act (H.R. 3590), signed into law on March 23, 2010, contains provisions affecting employers that will go into effect Jan. 1, 2014.

Under the Act, companies with 50 or more employees that do not offer health benefits could be assessed a penalty of \$2,000 per employee.

Companies with fewer than 50 workers would be exempt from the per-employee penalty, but if they offer health care coverage they would be eligible to receive tax incentives and credits for offering health care coverage.

If the cost of the employer's plan exceeds eight percent of the employee's annual income, employees who earn up to four times the national poverty level can

choose to opt out of their employer's health care plan. Opt-out employees would then be entitled to a voucher from their employer in the amount that the company pays for coverage for its health plan participants.

If any such employee refuses the voucher and applies for public assistance to purchase health care insurance, the employer may be assessed the \$2,000 per-employee penalty.

Many of the details about how the bill will be enforced and how employers will comply with these changes have yet to be decided. We will provide further updates as additional information about this recent legislation becomes available.

If you have any questions about the impact of health care reform on employers, please contact David Ball at (614)462-1084 or dball@szd.com or any member of SZD's Labor and Employment Practice Group.

COLUMBUS	CLEVELAND	CINCINNATI
ARENA DISTRICT 250 WEST STREET COLUMBUS, OH 43215	USBANK CENTRE 1350 EUCLID AVENUE CLEVELAND, OH 44115	629 OAK STREET CINCINNATI, OH 45206
PH: 614.462.2700 FAX: 614.462.5135 INFO@SZD.COM	PH: 216.621.6501 FAX: 216.621.6502 INFO@SZD.COM	PH: 513.792.0792 FAX: 513.792.0803 INFO@SZD.COM

