

What's in the Health Care Law for Young Small Businesses Owners?

Approximately 19 million young adults lack basic health insurance coverage; traditionally, high premiums have priced many out of the market. Fifty-four percent of Millennials either want to start a business or have already started one, but may worry about health coverage. In March of 2010, Congress passed the Affordable Care Act. While some provisions have already taken effect, many new benefits roll out on January 1, 2014, and enrollment in new insurance marketplaces begins Oct. 1, 2013. The law retains a system where insurance will still be bought from private companies, and often through the employer system, but also offers small business owners new options, cost breaks and requirements.

Insurance marketplaces for small businesses

- Insurance marketplaces will enable youth-owned small businesses with up to 50 employees (100 in some states) to unite and pool their purchasing power, giving them the kind of clout large companies currently enjoy when negotiating for rates. To learn about your state's marketplace, visit www.healthcare.gov or call 1-800-318-2596.

New insurance options for young entrepreneurs and sole proprietors

- Individuals starting their own business who want to purchase insurance for themselves can go onto the individual marketplace to purchase plans, and receive monthly tax credits based on their income. These plans cannot deny someone due to a pre-existing condition, and can provide young entrepreneurs with low-cost options when income is low during a start-up phase.
- Young people can stay on their parents' plans until age 26 so they have the ability to start businesses after high school or college without the fear of going without health insurance.
- Check out these and other options at www.health.younginvincibles.org!

Small business tax credits

- Through 2013, businesses with fewer than 25 full-time employees that contribute at least 50% of the total premium will be eligible for tax credits of up to 35% of the employer contribution. The full credit will be available for businesses with fewer than 10 employees averaging less than \$25,000 annual wages, and phase out at \$50,000. Nonprofit organizations will qualify for tax credits of up to 25% of the employer contribution during this time period.
- In 2014, tax credits will only be available through state marketplaces (tax credits up to 50% will be available through state exchanges in 2014 and beyond). **Find out if you're eligible at www.smallbusinessmajority.org!**

Requirements for businesses

- Employers will not be required to offer health insurance in 2014. In 2015, those with more than 50 employees who do not provide coverage will have to pay a fee when an employee purchases insurance through a state marketplace and qualifies for a tax credit.
- Employers with more than 50 employees that do not offer coverage and have at least one full-time employee who receives a premium tax credit will have to pay a fee of \$2,000 per full-time employee, minus the first 30 employees.