

Health Care Reform Update

Understanding the Small Business Health Care Tax Credit

The Small Business Health Care Tax Credit is designed to encourage small businesses and small tax-exempt employers to offer health insurance coverage to their employees. In general, an employer may be eligible for the credit for tax year 2016 if it:

- Had **fewer than 25** full-time equivalent employees;
- Paid an average wage of less than **\$52,000 a year**;
- Paid **at least half** of employee health insurance premiums; and
- Paid premiums on behalf of employees enrolled in a **qualified health plan offered through the [Small Business Health Options Program \(SHOP\) Marketplace](#)** (with limited exceptions).

Key Facts

Employers seeking to claim the credit should know the following key facts:

- The maximum credit is 50% of premiums paid for small business employers and 35% of premiums paid for small tax-exempt employers.
- Small employers may claim the credit for no more than two consecutive taxable years, beginning in tax year 2014 and beyond.
- Eligible small employers (other than those that are tax-exempt) may claim the credit on their annual income tax returns, with an attached [Form 8941](#), *Credit for Small Employer Health Insurance Premiums*, showing the calculation of the credit.

For information on this subject, please log into your [HR Library account](#) which includes information on the above subject, as well as other State and Federal updates, laws and regulations concerning Employee Benefits, HR, and Reform.

Be sure to check out our [Legislation/Compliance](#) section on our website to stay on top of the latest news in Health Care Reform. If you have any questions, please feel free to reach out to your dedicated Brown & Brown broker consultant.

IMPORTANT LINKS

- [Affordable Care Act](#) (HHS)
- [COBRA](#) (DOL)
- [Department of Labor](#)
- [Federal Marketplace](#) (HHS)
- [Medicare & Medicaid](#) (CMS)
- [Tax Credits & Deductions](#) (IRS)

FIND A PROVIDER

- [Aetna](#)
- [Amerihealth New Jersey](#)
- [Horizon Blue Cross Blue Shield](#)
- [Independence Blue Cross](#)
- [Oxford Health Plans](#)
- [United Healthcare](#)

FIND A DENTIST

- [Aetna](#)
- [Delta Dental](#)
- [Guardian](#)
- [Metlife](#)
- [United Concordia](#)
- [United Healthcare](#)

Brought to you by:

Brown & Brown Consulting
The Curtis Center
601 Walnut Street, Suite 275W
Philadelphia, PA 19106
Phone: 888.880.2212
Fax: 215.561.0395
www.consultbb.com/brokers

