

Small Business fact sheet

Health coverage options are good for business.

As an employer, you want to do what is best for your employees and your business. You may have found a lack of health insurance options to meet the needs of your business. SHOP or Small Business Health Options Program can help.

The health insurance marketplace gives small businesses access to a range of health plan choices through SHOP. The marketplace makes it easier to compare a variety of qualified health plans from private insurance companies. As the employer, you decide the level of coverage provided to your employees. This is how much a health plan will cover of your employees' medical expenses. To help you make that decision, all health plans are classified into one of four metal categories:

Bronze

Silver

Gold

Platinum

As the metal level increases in value, so does the percentage of medical expenses that a plan will cover. This means that the platinum level plan will cover the highest portion of medical costs at time of care. It will also have the highest premium cost.

You can choose a plan with a higher premium and pay a lower out-of-pocket cost. Or, you can choose a plan with a lower premium and pay a higher out-of-pocket cost.

SHOP for lower insurance costs.

HealthCare.gov can assist small group employers with enrolling their employees in health plans through the Small Business Health Options Program (SHOP). Small businesses can use the marketplace if they have 50 or fewer employees. Tax credits may be available for businesses with 25 or fewer full-time equivalent employees. To qualify for tax credits, a business must meet three requirements:

1. Employ 25 or fewer full-time equivalent employees.
2. Pay at least 50% of the premium for employees.
3. Meet a group average annual wage of less than \$50,000.

To learn more about tax credits, please consult the interactive calculator for Small Business Tax Credits at https://www.irs.gov/affordable-care-act/employers/small-business-health-care-tax-credit-and-the-shop-marketplace?_ga=1.48012389.377715791.1458737405

Tax credit amounts may vary based on employee size and average annual wages.

Simplified solutions, greater choice.

Marketplace helps you provide affordable insurance to your employees and makes it easy to manage. You make the big decisions.

- **Easy comparisons.** The marketplace lets you easily compare a variety of health plans offered by private insurers. Plans on HealthCare.gov follow consumer-friendly rules. You can go online to
- **Employer choice.** You decide whether or when to participate in SHOP. There is no designated open-enrollment period. You can enroll according to your policy's renewal date or whenever you choose.
- **Employer control.** You choose the level of coverage, the amount of your contribution toward your employees' coverage and any amount you may want to contribute to family or dependent care. If you don't want to contribute to dependent coverage, you can encourage your employees to contact HealthCare.gov to buy individual coverage for their family members.
- **Expanded choices.** SHOP gives you and your employees access to more plans.
- **No unexpected costs.** Your costs remain the same no matter which plans your employees choose because you control the amount of your contribution. This helps you control your budget.
- **Simple administration.** One monthly bill. Plus, you can keep working with your current insurance agent. If you aren't working with an insurance agent, HealthCare.gov can help you find an insurance agent or provide other assistance at no cost to you.

The Value of Coverage.

Employer-sponsored health insurance is valuable for a number of reasons. People who are insured are protected against uncertain and high medical expenses. They are more likely to get healthcare. Health insurance also improves health outcomes and lowers mortality.

Employers with more than 50 employees that do not offer affordable insurance or offer coverage that does not meet the minimum standards may be subject to penalties. Businesses with less than 50 employees that do not provide health coverage will not face a penalty.

Employees with health insurance are more likely to be productive workers. Offering health insurance can also help your business attract employees. It is a good business decision because of the favorable tax treatment to both the employer and the employee.

You can start offering SHOP coverage to your employees any time of year.

With almost half of all Americans receiving their health insurance from their employers, you – the business owner —play an important role. Many small businesses already offer health coverage. It helps them recruit and retain employees who are healthier, happier and more productive. Health Insurance coverage is good business for you and your employees.

The SHOP Call Center

Employers, employees, or those helping an employer or employee, should contact the SHOP Call Center at 1-800-706-7893, Monday – Friday, 9 a.m. – 7 p.m. ET. TTY users should call 711 to reach a call center representative. Help is available in English, Spanish, and more than 100 other languages through a language line service. You can also get help from an Insurance Agent or Application Assister in your area.